

W00A
Department of State Police

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$256,965	\$284,000	\$280,643	-\$3,357	-1.2%
Adjustments	0	0	-912	-912	
Adjusted General Fund	\$256,965	\$284,000	\$279,731	-\$4,268	-1.5%
Special Fund	95,424	99,923	99,745	-178	-0.2%
Adjustments	0	0	-233	-233	
Adjusted Special Fund	\$95,424	\$99,923	\$99,513	-\$411	-0.4%
Federal Fund	4,600	9,701	6,926	-2,775	-28.6%
Adjusted Federal Fund	\$4,600	\$9,701	\$6,926	-\$2,775	-28.6%
Reimbursable Fund	11,235	5,718	5,723	5	0.1%
Adjusted Reimbursable Fund	\$11,235	\$5,718	\$5,723	\$5	0.1%
Adjusted Grand Total	\$368,224	\$399,343	\$391,894	-\$7,449	-1.9%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The fiscal 2018 allowance for the Department of State Police (DSP) reflects a \$7.4 million, or 1.9%, decrease when compared to the fiscal 2017 working appropriation. Personnel expenses, which decline by \$4.5 million, account for 60.6% of the reduction. The anticipated amount of federal Asset Seizure funds received by DSP is reduced by \$2.8 million, or 28.6%, to be budgeted more in line with the amount of revenue received in fiscal 2016.
- The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment in fiscal 2018, of which the DSP portion is approximately \$1.1 million.

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

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Personnel Data

	<u>FY 16 Actual</u>	<u>FY 17 Working</u>	<u>FY 18 Allowance</u>	<u>FY 17-18 Change</u>
Regular Positions	2,437.50	2,435.50	2,435.50	0.00
Contractual FTEs	<u>21.74</u>	<u>66.49</u>	<u>68.49</u>	<u>2.00</u>
Total Personnel	2,459.24	2,501.99	2,503.99	2.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	173.89	7.14%
Positions and Percentage Vacant as of 12/31/16	324.00	13.30%

- There is no change in the department's regular position complement in fiscal 2018. DSP receives an increase of 2 full-time equivalents to provide information technology (IT) services for the department's various statewide IT programs.
- At the close of calendar 2016, DSP had 324 vacancies, accounting for 13.3% of its workforce. This includes, however, 75 unfunded positions used by DSP for new trooper hires going through academy training. Upon graduation, these individuals are moved into a funded trooper position. Excluding these dummy positions reduces the department's vacancy rate to 10.2%.
- Accounting for the placeholder positions for new trooper hires in training, DSP had 249 vacant positions at the end of calendar 2016, of which 125 were sworn positions. This is approximately 75 positions above what is needed to meet the fiscal 2018 budgeted turnover rate.

Analysis in Brief

Major Trends

Crime in Maryland Continues to Decline: In calendar 2015, Maryland's crime rate of 2,866 offenses for every 100,000 inhabitants was slightly above the national average of 2,860 offenses for every 100,000 inhabitants. This is the lowest Part 1 crime reported since 1975 when the *Uniform Crime Report* program began. Since the most recent peak in calendar 2008, the crime rate has fallen by nearly 31%. The most recent year-over-year change reflects a 3% decrease. The continued decline in calendar 2015 is driven solely by a decrease in property crimes, as violent crime in Maryland increased by 7% when compared to calendar 2014.

Maryland's Murder Rate Increases; Greatly Exceeds National Average: After experiencing a 38% decrease between calendar 2007 and 2014, Maryland's murder rate in calendar 2015 increased by 51%, to a rate of 9.2 murders per 100,000 persons. This negates nearly a decade's worth of decline and is significantly higher than the national average, which increased slightly to 4.9 murders per 100,000 persons, reflecting an increase of approximately 9%.

Performance Measures Indicate State Troopers Are Doing More with Less: A comparison of select performance measures for DSP shows that over the past 15 years, Maryland's population and vehicle miles traveled have increased while the size of the authorized trooper workforce has decreased, meaning that fewer troopers are available to provide increased levels of enforcement. A reduction in traffic-related fatalities and an increase in citations during the same time period suggest that troopers have been successful at enforcing the safety of Maryland's roadways. Most recently, however, the number of accidents and fatalities per 100 vehicle miles traveled increased between calendar 2014 and 2015, by 13% and 15%, respectively. At the same time, the number of citations issued declined by nearly 3%.

Issues

State Police Staffing Overview: A review of a variety of staffing statistics for both the sworn and civilian workforce indicates that DSP staff is generally leaving employment with the department at a faster rate than DSP is able to hire. This is resulting in high vacancy rates, increased overtime, and the growing use of temporary employment to cover staffing shortages. DSP is currently in the process of evaluating whether its current sworn authorization is adequate to fulfill its mission in addition to exploring ways to alter current hiring policies and practices in order to improve hiring. **DSP should discuss the methodology being used to evaluate the number of sworn positions needed to fulfill its mission and provide an update on the progress of the evaluation. DSP should provide an update on the status of the hiring policies review, including what specific policies are being examined, and any preliminary conclusions for how to improve hiring, particularly among the civilian workforce.**

Legislative Audit Reflects Possible Civilianization of 127 Positions: The Office of Legislative Audits (OLA) has determined that 127 positions are currently filled by uniformed troopers, while the nature of the position does not require uniformed officers. Trooper pay scale and benefit packages are higher than those of comparable civilian positions, and this conversion of positions would result in a cost savings of approximately \$10.8 million. **The Department of Legislative Services (DLS) recommends that DSP civilianize 50 of the positions identified by OLA through the recommended attrition method. The salaries for the civilian positions should be funded with the appropriation provided for one new trooper class, as civilianizing these positions will provide an equivalent number of veteran troopers available for deployment. DLS recommends restricting funding pending receipt of a report demonstrating that 50 positions have been reclassified by January 1, 2018. Additionally, DLS recommends deleting \$1.0 million of the \$2.4 million provided for the new trooper class, as civilian positions are less costly than sworn personnel.**

Increasing Work Zone Safety: Chapter 500 of 2009 authorized the use of automated speed enforcement (ASE) in highway work zones and school zones as a means of increasing safety without the need for additional staff resources. Looking at citation data for 2010 through 2015, a major problem for further safety improvements is how to curb the number of repeat offenders who appear willing to pay the fine because there is no increase in penalties for amassing multiple citations. Since 2010, 667 drivers have averaged at least 2 speed camera citations a year. One driver accumulated 68 citations in the course of a three-year period. One potential solution to this issue is to alter the penalty structure as a means of increasing the deterrent for a driver to continue speeding through a monitored work zone. **DLS recommends legislation be drafted to alter the penalty structure for citations issued by ASE systems. DLS recommends that fines be doubled for any driver receiving more than 2 citations per year from an ASE system. DSP should comment on how declining speed camera revenues impact departmental operations and whether an adequate amount of speed camera revenue is anticipated in fiscal 2017 and 2018 to cover the cost of replacement vehicle purchases.**

Recommended Actions

Funds

1. Add language requiring the civilianization of at least 50 administrative and support positions currently filled by troopers and deleting the anticipated personnel savings from the reclassification.
2. Add language authorizing the use of transportation special funds to support the Field Operations Bureau patrol of roads and highways.
3. Use transportation special funds in lieu of general funds to support traffic enforcement activities. \$ 25,000,000

W00A – Department of State Police

4. Add budget bill language restricting \$1,000,000 of the general fund appropriation until the Department of State Police submits the 2016 *Uniform Crime Report*.

Total Reductions

\$ 25,000,000

Updates

Improving Gender and Racial Diversity: In addition to addressing the basic need to fill vacancies, the department's staffing goals also include creating a more diverse workforce. At the request of the budget committees and in accordance with Chapter 249 of 2014, DSP submitted its third annual *Report on Diversity in Hiring, Promotion, and Retention*. The report, submitted January 31, 2017, provides a snapshot of demographic data for DSP's workforce in the month of November 2016. According to the U.S. Census Bureau, Maryland's total population of 6 million people in 2015 consists of 60% Caucasian, 31% African American, and 9% Latino or other. The current DSP workforce does not align with the demographic consistency of Maryland's population, although representation is improving for the Latino population and other races. More diversity exists within the civilian workforce. For the past eight trooper classes, an average of 32% of the graduates have been minorities.

W00A – Department of State Police

W00A
Department of State Police

Operating Budget Analysis

Program Description

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

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

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

Performance Analysis: Managing for Results

1. Crime in Maryland Continues to Decline

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

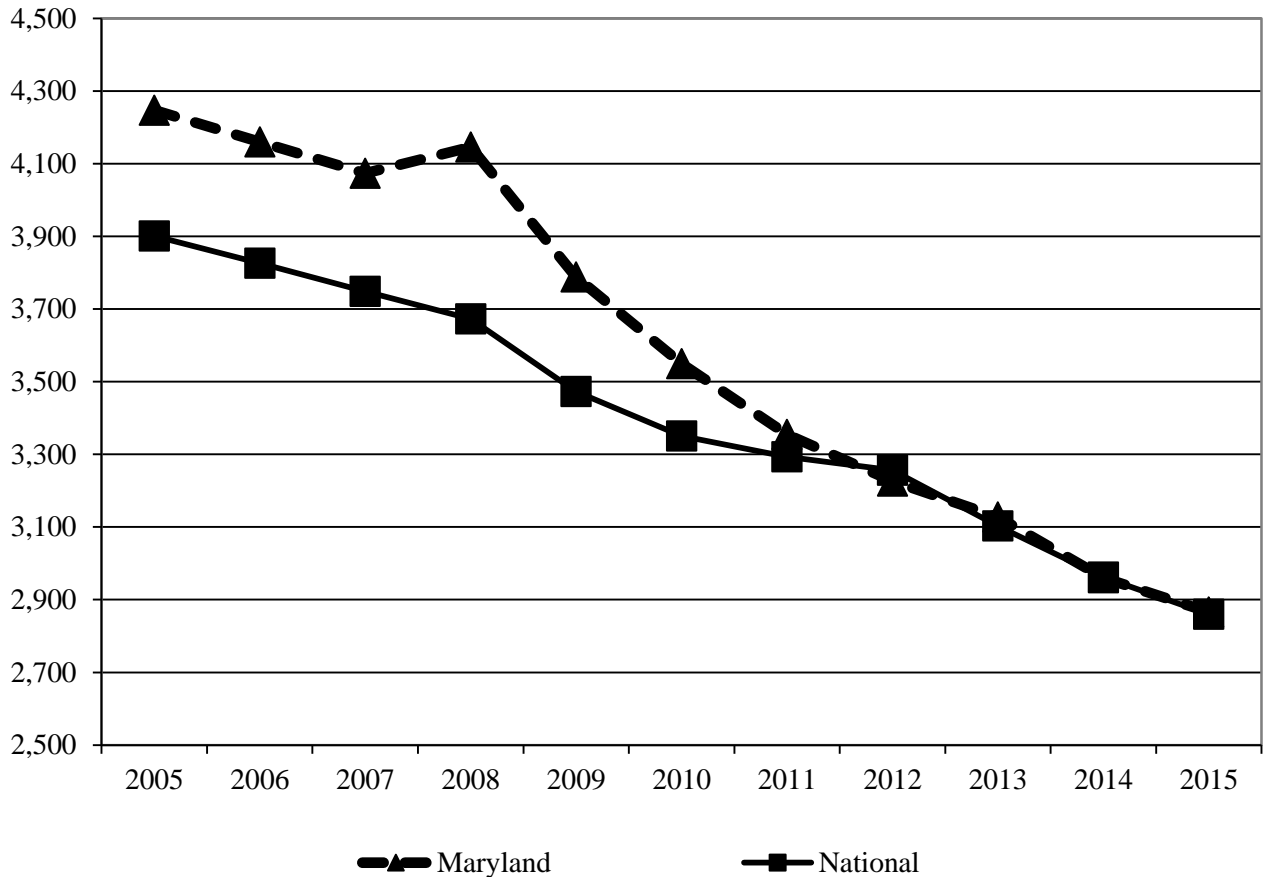
W00A – Department of State Police

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

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

In calendar 2015, Maryland's crime rate of 2,866 offenses for every 100,000 inhabitants was slightly above the national average of 2,860 offenses for every 100,000 inhabitants. This is the lowest Part 1 crime rate reported since 1975 when the UCR program began. Since the most recent peak in calendar 2008, the crime rate has fallen by nearly 31%. The most recent year-over-year change reflects a 3% decrease (see **Exhibit 1**). The continued decline in calendar 2015 is driven solely by a decrease in property crimes, as violent crime in Maryland increased by 7% when compared to calendar 2014.

Exhibit 1
Maryland and National Crime Rate Trends
Offenses Per 100,000 of Population
Calendar 2005-2015

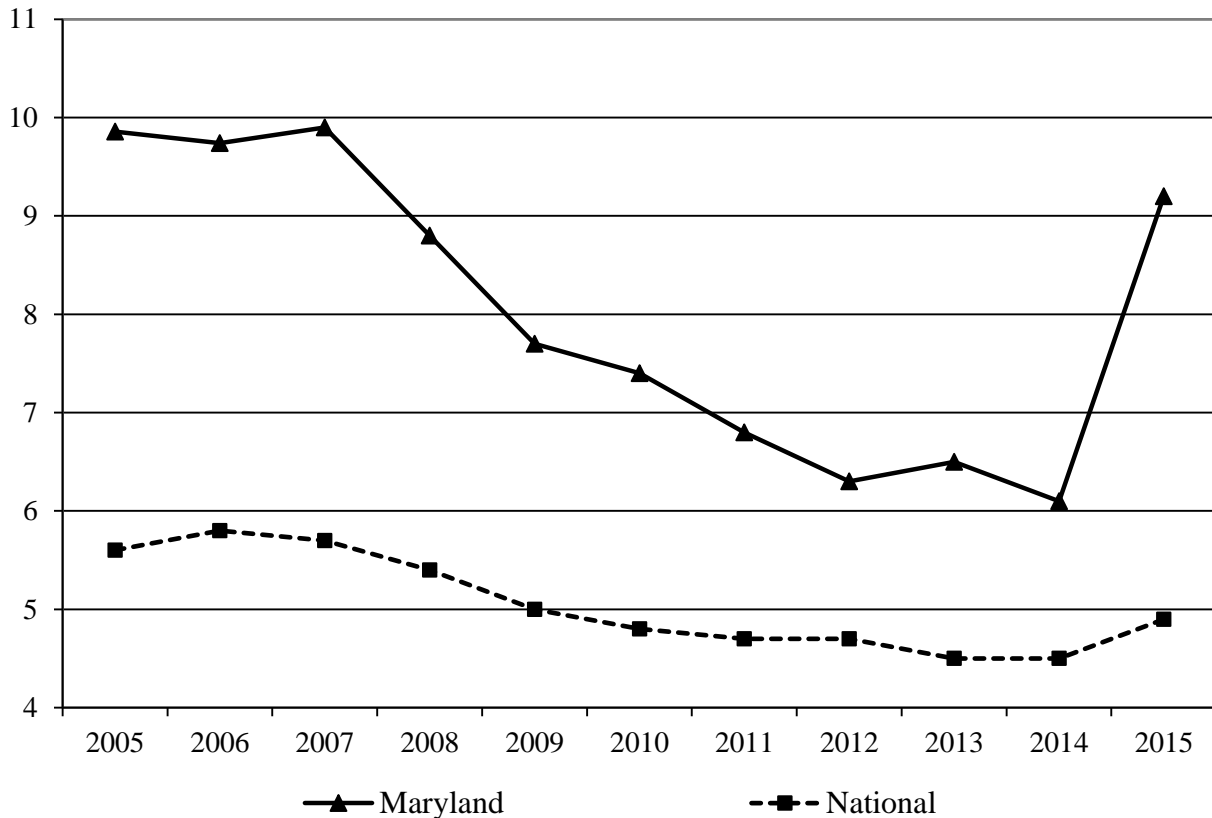


Source: *Crime in Maryland, 2015 Uniform Crime Report*; Federal Bureau of Investigation

2. Maryland's Murder Rate Increases; Greatly Exceeds National Average

After experiencing a 38% decrease between calendar 2007 and 2014, Maryland's murder rate in calendar 2015 increased by 51%, to a rate of 9.2 murders per 100,000 persons. This negates nearly a decade's worth of decline, with total murders reported to law enforcement increasing from 363.0 in calendar 2014 to 553.0 in calendar 2015. Maryland's murder rate is significantly higher than the national average, which also increased slightly in calendar 2015 to 4.9 murders per 100,000 persons, reflecting an increase of approximately 9% (see **Exhibit 2**).

Exhibit 2
Maryland and National Trends
Murders Per 100,000 of Population
Calendar 2005-2015



Source: *Crime in Maryland, 2015 Uniform Crime Report*; Federal Bureau of Investigation

3. Performance Measures Indicate State Troopers Are Doing More with Less

The comparison of select DSP performance measures provided in **Exhibit 3** shows that over the past 15 years, Maryland's population and vehicle miles traveled have increased by 10.5% and 6.5%, respectively. At the same time, the size of the authorized trooper workforce declined by 3.9%, meaning that fewer troopers are available to provide increased levels of enforcement. A 25.4% reduction in traffic-related fatalities and a 3.8% increase in citations during the same time period suggests that troopers have been successful at enforcing the safety of Maryland's roadways. Most recently, however, the number of accidents and fatalities per 100 vehicle miles traveled increased between calendar 2014 and 2015, by 13.0% and 15.0%, respectively. At the same time, the number of citations issued declined by nearly 3.0%.

Exhibit 3
Department of State Police
Select Performance Measures
Calendar 2002, 2014, and 2015

<u>Measure</u>	<u>2002</u>	<u>2014</u>	<u>2015</u>	<u>2002 vs. 2015</u>		<u>2014 vs. 2015</u>	
Population (Millions)	5.44	5.98	6.01	0.57	10.5%	0.03	0.5%
Vehicle Miles Traveled (VMT) in Millions	538	564	573	35.10	6.5%	9.10	1.6%
Troopers Authorized	1,616	1,553	1,553	-63.00	-3.9%	0.00	0.0%
Troopers Per 1 Million VMTs	3.00	2.75	2.71	-0.29	-9.7%	-0.04	-1.5%
Accidents Per 100 VMTs	196.06	173.48	196.08	0.02	0.0%	22.60	13.0%
Fatalities Per 100 VMTs	1.22	0.79	0.91	-0.31	-25.4%	0.12	15.2%
Citations Issued	341,032	363,319	354,093	13,061	3.8%	-9,226	-2.5%

Source: Managing for Results

Fiscal 2017 Actions

Section 20 Position Reduction

Section 20 of the fiscal 2017 budget bill required the Governor to abolish 657 vacant regular positions and reduce the fiscal 2017 budget by \$25.0 million. The overall impact to the department was the loss of \$1.1 million in general funds and \$100,000 in special funds; however, DSP did not lose any associated positions. The funding reduction was absorbed through the department's excess vacancies and other operating savings. It does not appear that the reduction has been restored in the fiscal 2018 allowance; however, with no positions lost, it is assumed that the reduction did not result in ongoing savings.

Deficiency Funding

As part of its fiscal 2016 closeout process, DSP filed a Schedule F with the Comptroller, indicating overspending of approximately \$926,000 for various operating expenses in fiscal 2016. It is not clear how this shortfall was covered by the department, and no deficiency appropriation is provided in fiscal 2017.

Additionally, the fiscal 2016 closeout audit released by the Office of Legislative Audits (OLA) in February notes that DSP had approximately \$2.9 million in outstanding special fund accounts receivables at the close of fiscal 2016. This was due to a shortfall in speed camera revenue from the

W00A – Department of State Police

Work Zone Automated Speed Enforcement Program. Statute requires DSP to receive \$7.0 million in speed camera revenues annually for vehicle replacement purchases in fiscal 2016 through 2018. The audit notes that, as of January 10, 2017, the total outstanding amount to DSP as of the close of fiscal 2016 was \$4.7 million. DSP has indicated that there was no alteration to the number of vehicles purchased as a result of the shortfall. The department used general funds to partially cover the shortfall and has indicated its intent to use revenues generated during subsequent fiscal years to continue to offset the receivable balance. Additional general funds are likely needed to cover the fiscal 2016 shortfall and also put the fiscal 2017 and 2018 appropriations at risk. This topic is discussed further in the Issues section of this analysis.

DSP should comment on how the identified shortfalls in fiscal 2016 funding were covered and whether those deficiencies are anticipated to similarly occur in fiscal 2017 and 2018.

Proposed Budget

Exhibit 4 illustrates how the Governor's fiscal 2018 allowance decreases by \$7.4 million, or 1.9%, below the fiscal 2017 working appropriation, after accounting for the across-the-board contingent reduction to the State pension system.

Exhibit 4					
Proposed Budget					
Department of State Police					
(\$ in Thousands)					
How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016 Actual	\$256,965	\$95,424	\$4,600	\$11,235	\$368,224
Fiscal 2017 Working Appropriation	284,000	99,923	9,701	5,718	399,343
Fiscal 2018 Allowance	<u>279,731</u>	<u>99,513</u>	<u>6,926</u>	<u>5,723</u>	<u>391,894</u>
Fiscal 2017-2018 Amount Change	-\$4,268	-\$411	-\$2,775	\$5	-\$7,449
Fiscal 2017-2018 Percent Change	-1.5%	-0.4%	-28.6%	0.1%	-1.9%

Where It Goes:

Personnel Expenses

Overtime.....	\$5,576
Increments and other compensation (SLEOLA adjustments for fiscal 2018).....	1,441

W00A – Department of State Police

Where It Goes:

Employee retirement (less pension sweeper contingent reduction)	1,559
Social Security contributions.....	1,124
Funding for two trooper classes	534
Workers' compensation premium assessment.....	351
Employee and retiree health insurance	-1,731
Other adjustments.....	-4,207
Turnover adjustments	-9,163

Aviation Command

Aircraft fuel	483
Out-of-state training	-276
Aircraft maintenance	-739

Office of the State Fire Marshal

Bomb Squad equipment	400
Replacement vehicle purchases.....	300

Other Changes

Telecommunications	356
Other.....	291
Contractual office assistance	167
Contractual employment	136
Vehicle maintenance and repair	114
Heroin enforcement grant.....	-275
Motor fuel.....	-1,115
Federal Asset Seizure funds	-2,775

Total	-\$7,449
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SLEOLA: State Law Enforcement Officers' Labor Alliance

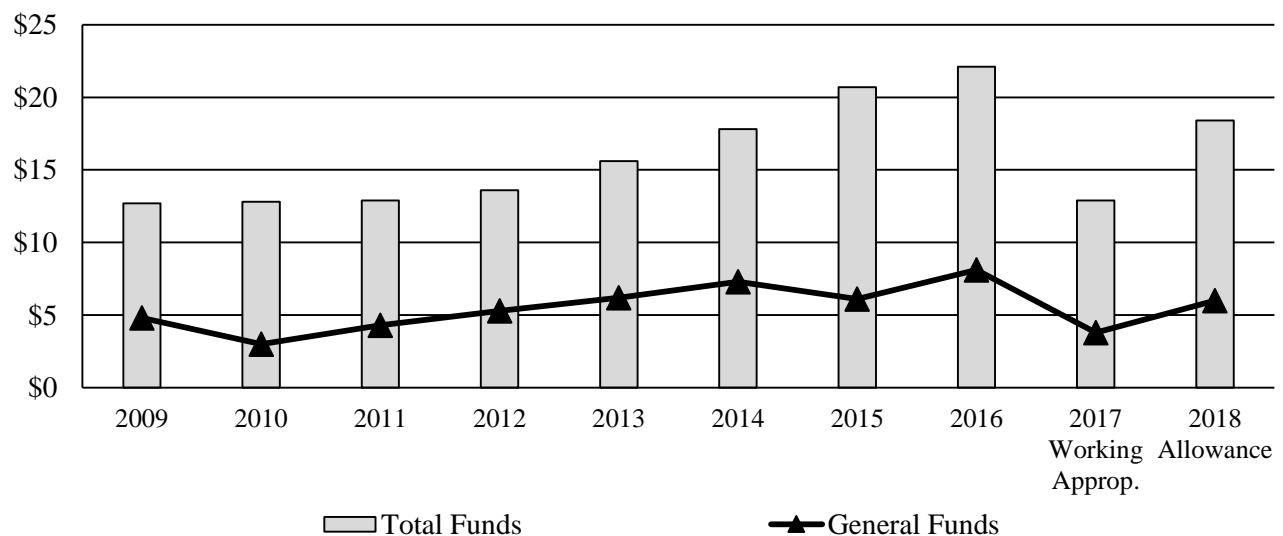
Note: Numbers may not sum to total due to rounding.

Personnel Expenses

Funding for personnel expenses decreases by a net \$4.5 million in fiscal 2018, accounting for 60.6% of the total decrease for the department. Less personnel funding is provided for health insurance (\$1.7 million) and due to a higher budgeted turnover rate in fiscal 2018 (\$9.2 million), more in line with the department's recent and historical vacancy trends. Additionally, other adjustments to personnel expenses result in a \$4.2 million reduction, as DSP went through a thorough review of its position complement and associated salary base as part of its transition to Workday. As a result of that review, DSP identified a number of positions that had been vacant and rebased the position at the starting salary. These reductions are partially offset by increases provided for sworn employee increments (\$1.4 million) in accordance with the new collective bargaining agreement implemented retroactively to fiscal 2016 and retirement (\$1.6 million). The allowance also includes an additional \$534,000 over the fiscal 2017 working appropriation to fund two trooper classes, with 50 trooper candidates each.

Overtime expenses increase by \$5.6 million in fiscal 2018, an increase of 43.3% over the \$12.9 million provided in the fiscal 2017 working appropriation. Nearly 53.0% of the \$18.4 million provided in fiscal 2018 is for general fund overtime. **Exhibit 5** compares changes in overtime expenses since fiscal 2009, distinguishing between general funds and total funds.

Exhibit 5
Department of State Police
Overtime Expenditures
Fiscal 2009-2018 Allowance
(\$ in Millions)



Source: Department of State Police

Overtime spending in fiscal 2016, for both general and total funds, was at its highest point in nearly a decade, with \$8.1 million in general funds and \$22.1 million in total funds expended. The fiscal 2017 working appropriation is approximately \$9.2 million below fiscal 2016 actual spending despite an increase in the department's total vacancy rate from 11.5% to 13.3%. Although additional funds are provided in fiscal 2018, the allowance remains approximately \$3.7 million below fiscal 2016 actual expenditures. A comparison of funding for general fund overtime mirrors the analysis of total funds.

There are several reasons for the department's use of overtime. Depending on the situation, troopers and civilian employees may incur overtime to adequately cover a shift, to complete an investigation at the end of their shift, to respond to a hostage situation, or to care for a police canine. The reasons for overtime use fluctuate with each pay period, but there are some commonalities. Over the last four fiscal years, the Maryland State Police has used an average of approximately \$7 million in general fund overtime per year. While there are times when troopers are deployed to areas to handle emergencies (*e.g.*, Baltimore riots, Ellicott City flooding), the majority of overtime use in DSP is due to staffing issues and providing police services. An analysis of fiscal 2016 overtime use indicated that approximately 47% of general fund overtime was attributable to manpower shortages. DSP has noted that its ability to extract data from the internal payroll system in order to continue monitoring the use of overtime stopped on April 10, 2016, with the implementation of Workday.

DSP should comment on its transition to Workday and any issues encountered pertaining to overtime analysis or otherwise.

Aviation Command

Funding for the Maryland State Police Aviation Command (MSPAC) decreases by \$382,045, or less than 1%, in fiscal 2018. Special funds from the Maryland Emergency Medical System Operations Fund (MEMSOF) support the medically oriented mission of MSPAC, as required by statute. General funds support law enforcement and homeland security functions. The funding split for MSPAC has remained at 80% in special funds and 20% in general funds since fiscal 2003. For the most recent year of actual expenditures, fiscal 2016, MEMSOF support accounted for 70% of MSPAC operations. General funds supported the remaining 30% of expenses. According to the fiscal 2018 Managing for Results (MFR) submission, air medical activities account for nearly 85% of MSPAC operations in fiscal 2016. In the fiscal 2018 allowance, MEMSOF funding declines by 3%, or \$988,000, while general funds increase by 7%, or \$606,000. MEMSOF funding accounts for nearly 80% of the allowance.

Fiscal 2016 was the first full fiscal year of expenditures for the new helicopter fleet. Funds for aircraft fuel increase in fiscal 2018 by \$483,000, which also provides a \$553,000 increase over fiscal 2016 actual expenditures. In an effort to reduce fuel and other operating costs, while also better addressing the medevac needs for the northern part of the State, MSPAC is reevaluating the current alignment of its helicopter bases. One option being explored is a relocation of Trooper 1, currently located at Martin State Airport in Baltimore, to a leased hangar in Harford County. MSPAC indicates that, since a majority of the calls for service for Trooper 1 originate in Harford and Cecil counties, fuel and other cost savings would likely exceed any additional lease costs. MSPAC would retain its current

space at Martin State Airport for its headquarters, aircraft maintenance, and the Flight Training Device (FTD). **MSPAC should comment on the potential for realigning its helicopter bases, the status of the current evaluation, the potential fiscal impact of a northern realignment of Trooper 1, and the timeline for making a decision.**

The increase in fuel costs is offset by a \$276,000 reduction in out-of-state travel associated with pilot training. As part of the purchase of 10 AW-139 helicopters, the State also authorized general obligation bonds to acquire a flight training simulator to conduct recurrent pilot training. The FTD will allow up to 75% of mandatory pilot training to be conducted in the FTD and require at least 25% to be conducted in the helicopters. Training using the FTD will save flight hours on the new fleet, as well as create a safer environment for training. The FTD is anticipated to be operational by the start of fiscal 2018. MSPAC currently sends pilots to New Jersey to train on a full motion simulator.

Prior to the device being delivered, MSPAC must make a decision as to what level of certification to pursue with the Federal Aviation Administration (FAA). The device must be certified by FAA prior to its use. The recommendation of the 2009 Emergency Medical Services Workgroup, convened following a fatal MSPAC helicopter crash, was to pursue Part 135 certification. Further evaluation by MSPAC indicates that achieving Part 135 certification would require a substantial increase in resources for MSPAC and significant penalties if certification standards are not met and maintained. **MSPAC should comment on whether Part 135 certification is still being pursued or if some other alternative is available that could be achieved within existing resources.**

Funding for aircraft maintenance declines by nearly \$739,000 in the allowance, in order to more closely align with fiscal 2016 spending. The fiscal 2018 allowance is actually budgeted \$123,000 below fiscal 2016 actual expenditures. With the warranties expiring on the helicopters at the end of fiscal 2018, MSPAC will become entirely responsible for all maintenance costs. Most recently, MSPAC had to ground its entire helicopter fleet to conduct inspections due to an issue with cracks in the paint of the tail rotors. In the process of achieving final resolution to the problem, MSPAC had to send samples of the cracked rotors to the manufacturer in Italy. The manufacturer subsequently supplied new blades in order to allow MSPAC to swiftly resume operations.

MSPAC should comment on how a similar issue will be handled once the warranties expire and the cost incurred by the State. Additionally, MSPAC should comment on how maintenance time and costs for the helicopters compare to what was anticipated at the time of purchase. Finally, MSPAC should discuss its ability to amass a parts inventory in order to reduce time out of service for the helicopters.

Office of the State Fire Marshal

The Office of the State Fire Marshal (OSFM) evaluates buildings and occupancies to ensure compliance with the State Fire Prevention Code and associated regulations and statutes. Additionally, OSFM also investigates the cause of fires and explosions and where identified as intentional, initiates the criminal investigation and arrests the perpetrators for such acts. OSFM operates a statewide bomb squad staffed by deputy State fire marshals (DSFM). The bomb squad responds to emergency calls for found explosives and suspected packages. The DSFM bomb technician is normally responsible for all

aspects of the investigation, including scene examination, evidence collection, photography, interview and interrogation, and effecting an arrest when appropriate.

In the fiscal 2018 allowance, OFSM receives an additional \$300,000 to purchase replacement vehicles for its fleet. This funding will provide 10 to 12 new vehicles. Additionally, \$400,000 is provided to recondition three bomb robots. These robots are over 10 years old, and because of that, their capacity has been reduced by 60%. The reconditioning will make them fully functional.

Other Changes

DSP receives funding increases in fiscal 2018 for a variety of other operating expenses. Most notable are the increases for contractual office assistance and contractual employment. As is further discussed in the Issues section of this analysis, the department's reliance on the use of temporary employment has grown significantly in recent years in order to offset understaffing issues within its civilian workforce.

This increase is offset by the loss of \$275,000 in grant funds provided in fiscal 2017 to support heroin enforcement. The purpose of the general fund grant, as was described during the fiscal 2017 session, suggested that the funds would be used for ongoing operations; however, the funding does not continue in fiscal 2018.

Funding also declines for motor fuel expenses (\$1.1 million) and federal Asset Seizure funds. Although the fiscal 2018 allowance reflects an increase of fiscal 2016 actual revenues, the allowance is considerably less than has historically been received. This is the result of changes at the federal and State level that limited the department's ability to retain seized funds.

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency's share of these reductions is \$911,603 in general funds and \$232,750 in special funds. This action is tied to a provision in the Budget Reconciliation and Financing Act (BRFA) of 2017.

State Highway Patrol Funding Sources

In 1935, the Maryland State Police was established as a separate unit of State government. At that time, the agency was funded out of revenues from the Department of the Commissioner of Motor Vehicles. A recent study by the National Conference of State Legislatures indicates that 35 states use a special fund or a dedicated revenue source to fund a portion of state highway patrol functions. Twenty-five states use state highway funds to support the state highway patrol. Currently, funding from the Transportation Trust Fund supports operation of DSP's Commercial Vehicle Enforcement Division and Automotive Safety Enforcement Division; however, over 70% of DSP operations in fiscal 2018 are supported through the use of general funds. DSP estimates that approximately 65% of its operations are dedicated to traffic enforcement activities.

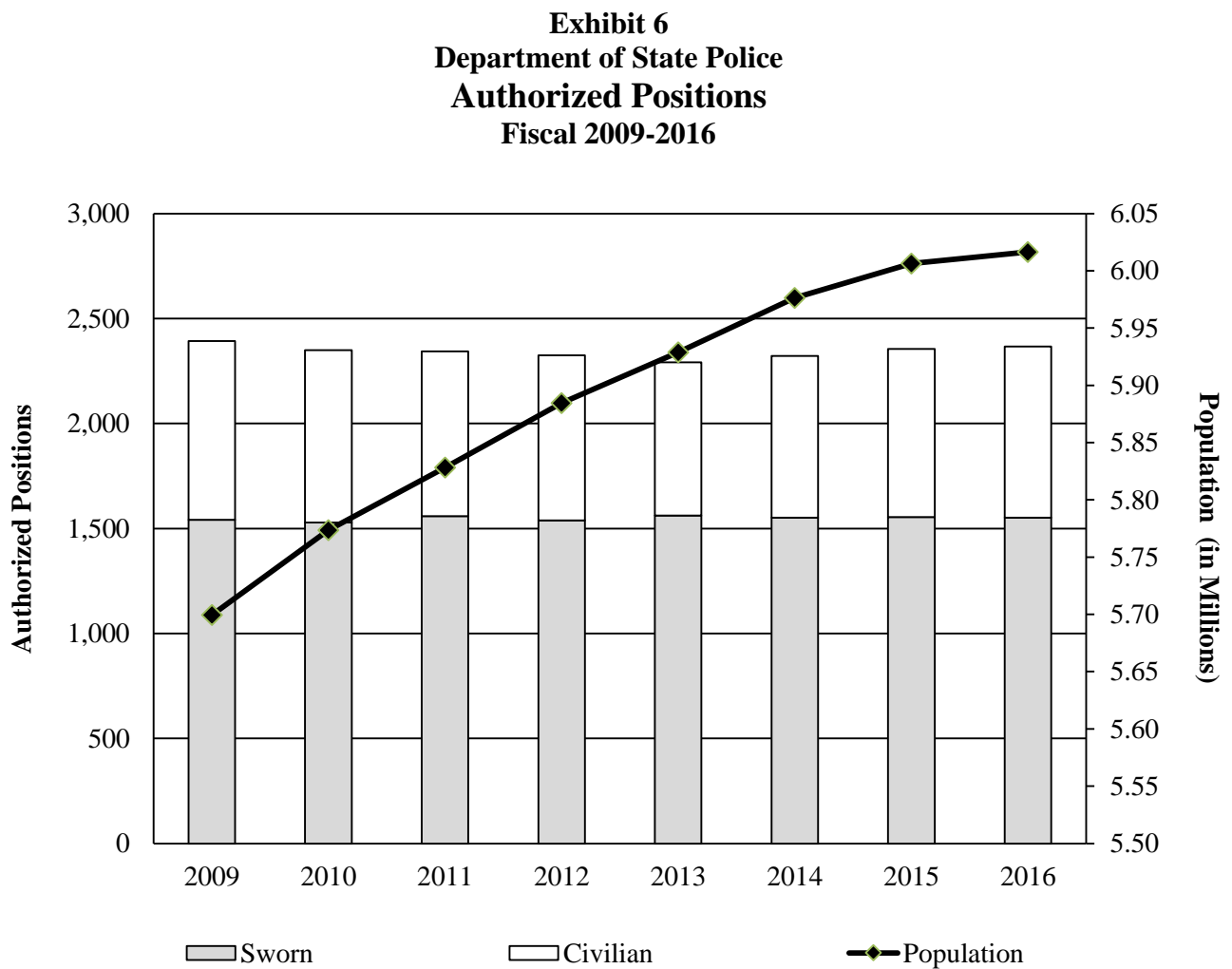
W00A – Department of State Police

The Department of Legislative Services (DLS) recommends replacing \$25 million of the DSP fiscal 2018 general fund appropriation with an equivalent amount of special fund revenue currently identified for Highway User Fund grants. Related actions would hold county governments harmless through a \$25 million grant to be provided through the Maryland Department of Transportation Secretary's Office. If made ongoing through the BRFA of 2017, this mechanism would provide structural budget relief.

Issues

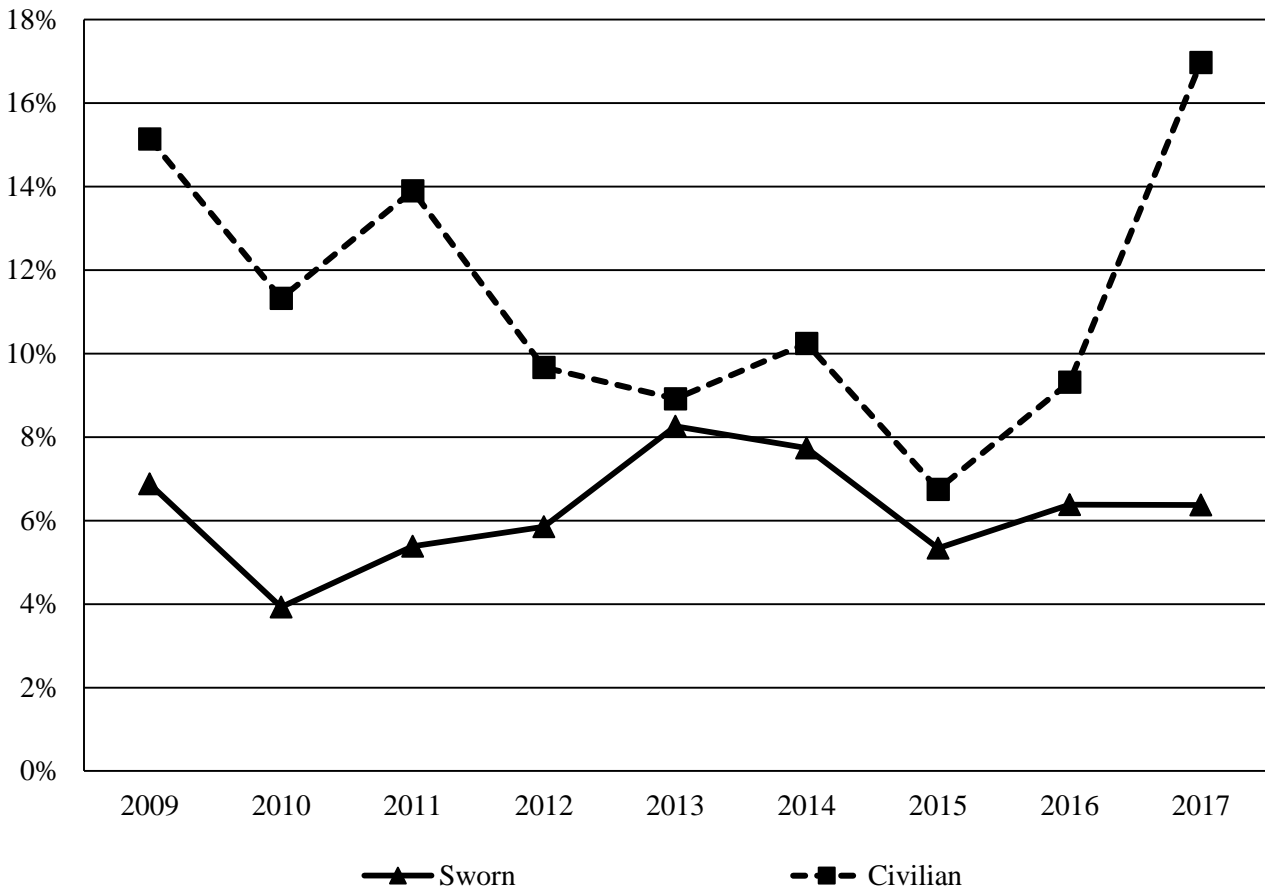
1. State Police Staffing Overview

For the past decade, DSP's workforce has remained relatively stagnant despite increases in Maryland's population (**Exhibit 6**). Since 2009, the department has operated with an average of 8% of its sworn and civilian positions vacant. **Exhibit 7** illustrates the changes in vacancy rates for sworn and civilian personnel for the past nine fiscal years. An examination of personnel data suggests that DSP struggles with both recruitment and retention of its employees.



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

Exhibit 7
Department of State Police
Sworn and Civilian Vacancy Rates
Fiscal 2009-2017



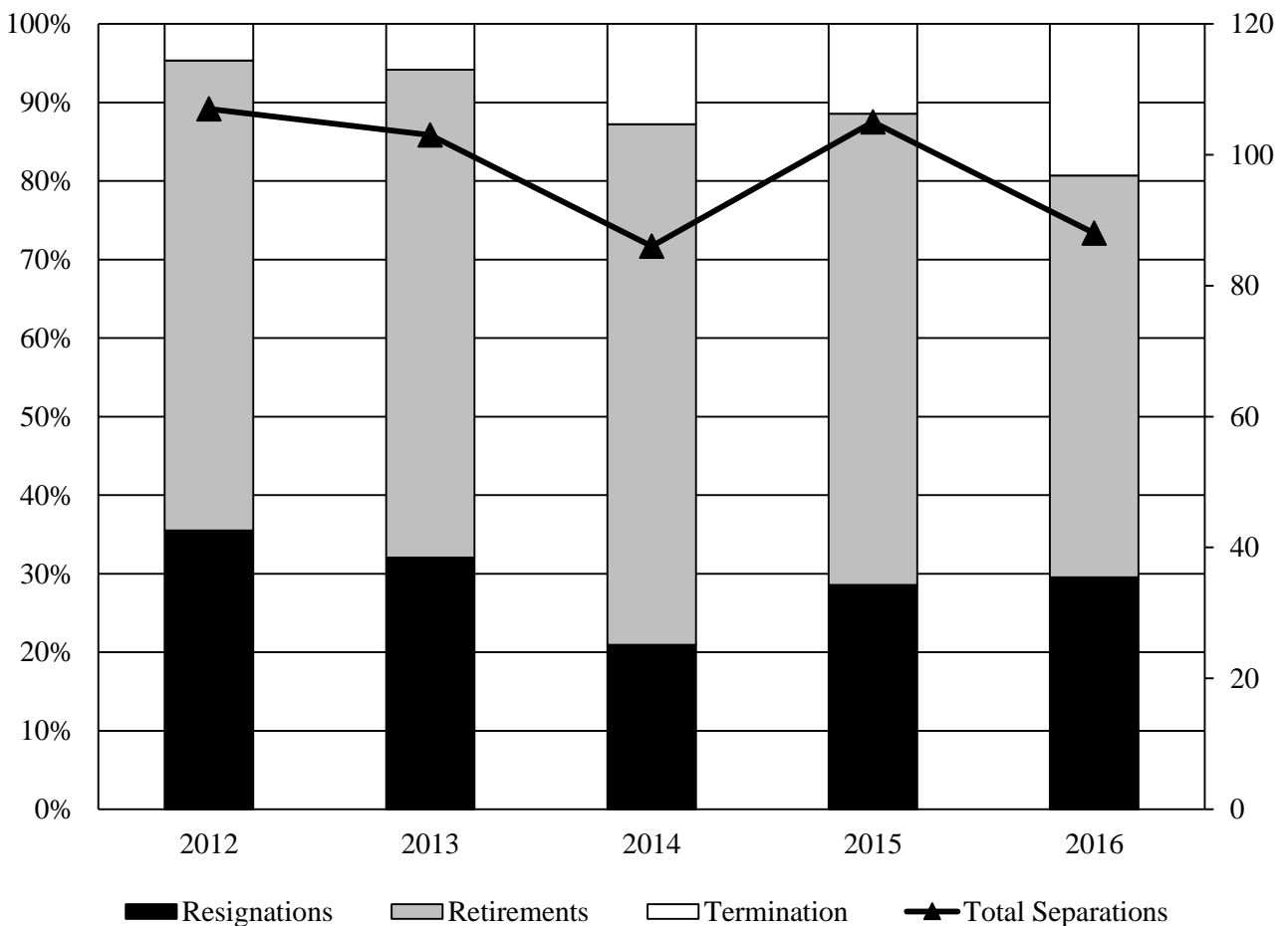
Source: Department of State Police

Sworn Personnel

In February 2017, DSP (excluding OSFM) had 99 sworn vacancies, accounting for more than 40% of the department's vacant positions. This equates to a 6% vacancy rate for sworn positions and is consistent with the vacancy rate for 2016. As illustrated by the data in Exhibit 7, sworn vacancy rates fluctuate considerably less than the civilian vacancy rate. This is, in part, due to the department's attempt to fund two new trooper classes annually, with a goal of graduating 50 troopers in each class. This is necessary to combat the rate at which troopers are leaving DSP employment.

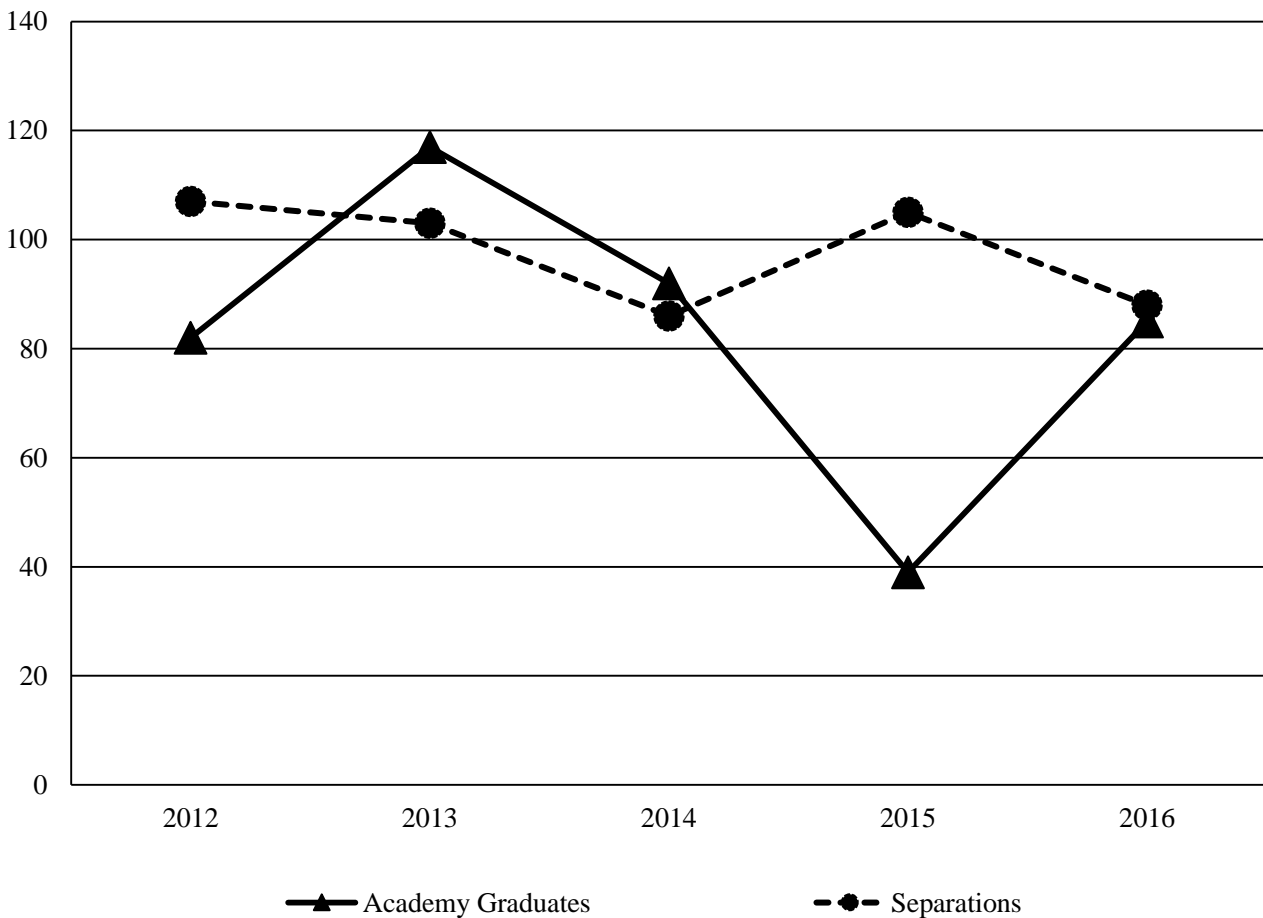
Exhibit 8 provides data since calendar 2012 on the number of sworn officer separations from DSP employment, by the reason for the separation. On average, DSP loses 7% of its sworn workforce each year, largely due to retirement. In three of the past five years, more officers left employment than the department was able to hire, resulting in a staffing deficit in the current authorized workforce (see **Exhibit 9**). This results in overtime due to manpower shortages. An analysis of fiscal 2016 general fund overtime use indicates that 35% of overtime was attributable to sworn personnel staffing shortages.

Exhibit 8
Department of State Police
Sworn Officer Separations by Reason
Calendar 2012-2016



Source: Department of State Police

Exhibit 9
Department of State Police
Sworn Officer Separations versus New Hires
Calendar 2012-2016



Source: Department of State Police

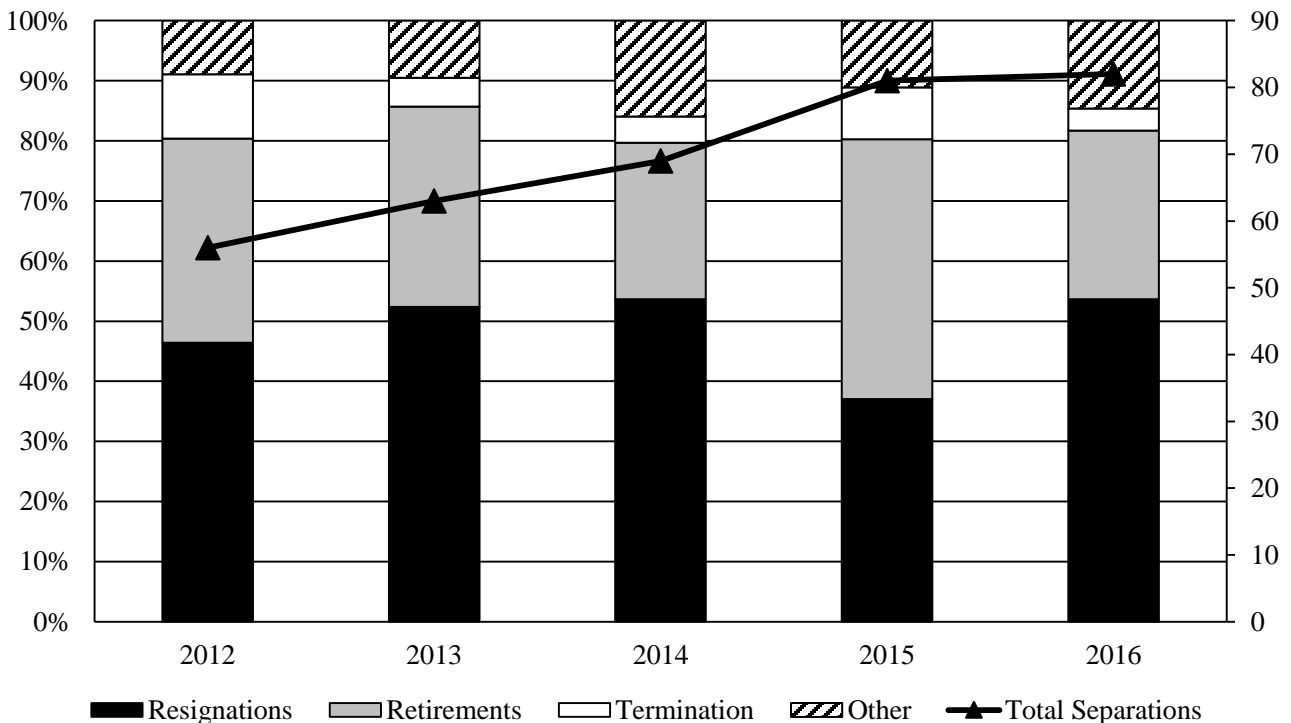
As was noted in the previous MFR discussion, over the past 15 years, as Maryland's population and road use has increased, there has also been a reduction in crime and an increase in road safety. Most recently, however, crime in Maryland, along with traffic-related accidents and fatalities, increased, suggesting deployment of additional enforcement resources may be necessary. At the request of the budget committees, DSP is currently undergoing an evaluation of the adequacy of its current sworn workforce. The report is due September 1, 2017. **DSP should discuss the methodology being used to evaluate the number of sworn positions needed to fulfill its mission and provide an update on the progress of the evaluation.**

Civilian Personnel

The department's total regular position complement has experienced a net decrease of 1% since fiscal 2009; however, eliminated civilian positions account for more than 100% of the reduction. On average, DSP has operated with 11% of its civilian workforce vacant. Most recently, the vacancy rate increased to 17% as of February 2017.

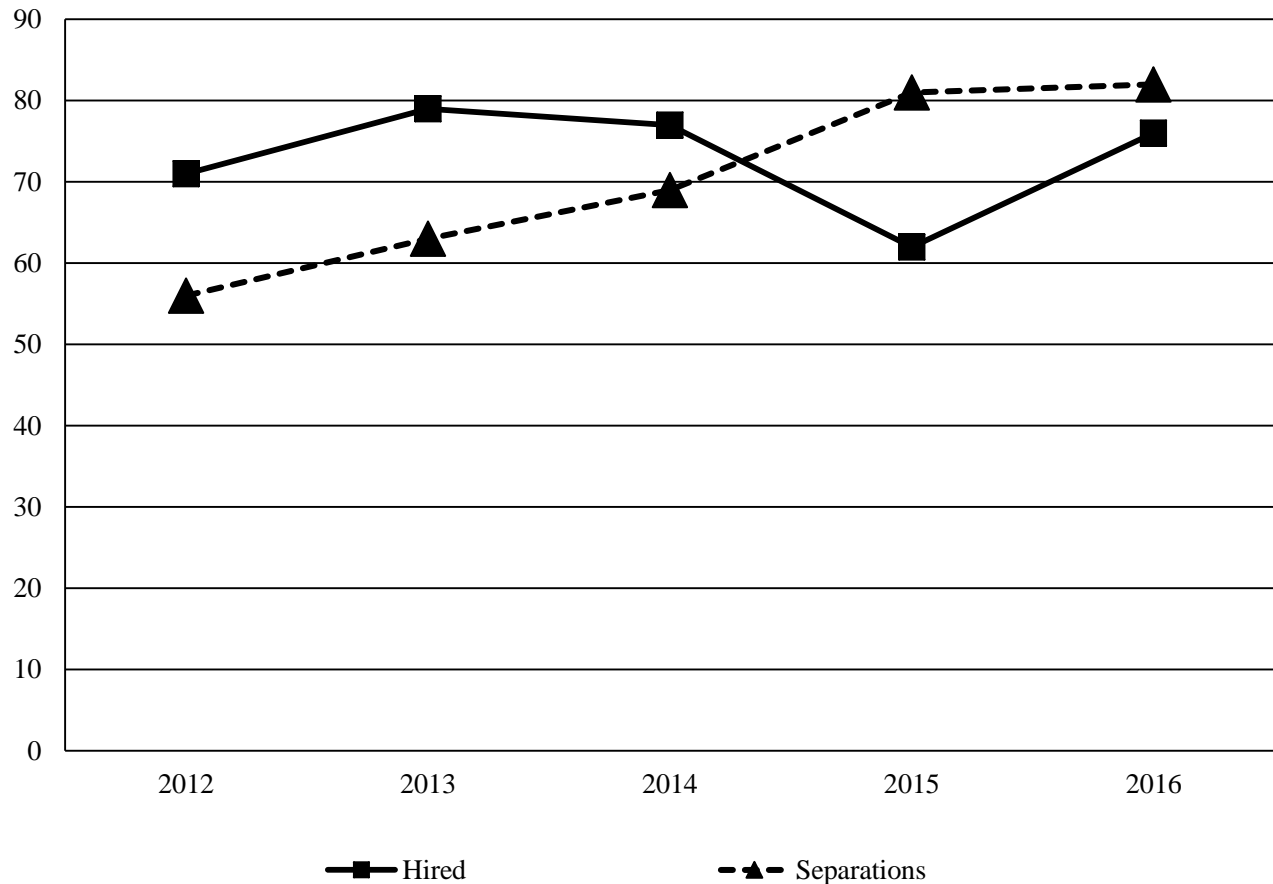
Exhibit 10 provides data since calendar 2012 on the number of civilian separations from DSP employment, by the reason for the separation. On average, DSP loses 10% of its civilian workforce each year. Unlike sworn separations, the majority of civilians leave DSP employment due to resignation, with most citing personal reasons as the reason for separation. In the past two years, more civilians left employment than the department was able to hire, contributing to the increase in vacancy rates from 7% to 17% (see **Exhibit 11**).

Exhibit 10
Department of State Police
Civilian Separations by Reason
Calendar 2012-2016



Source: Department of State Police

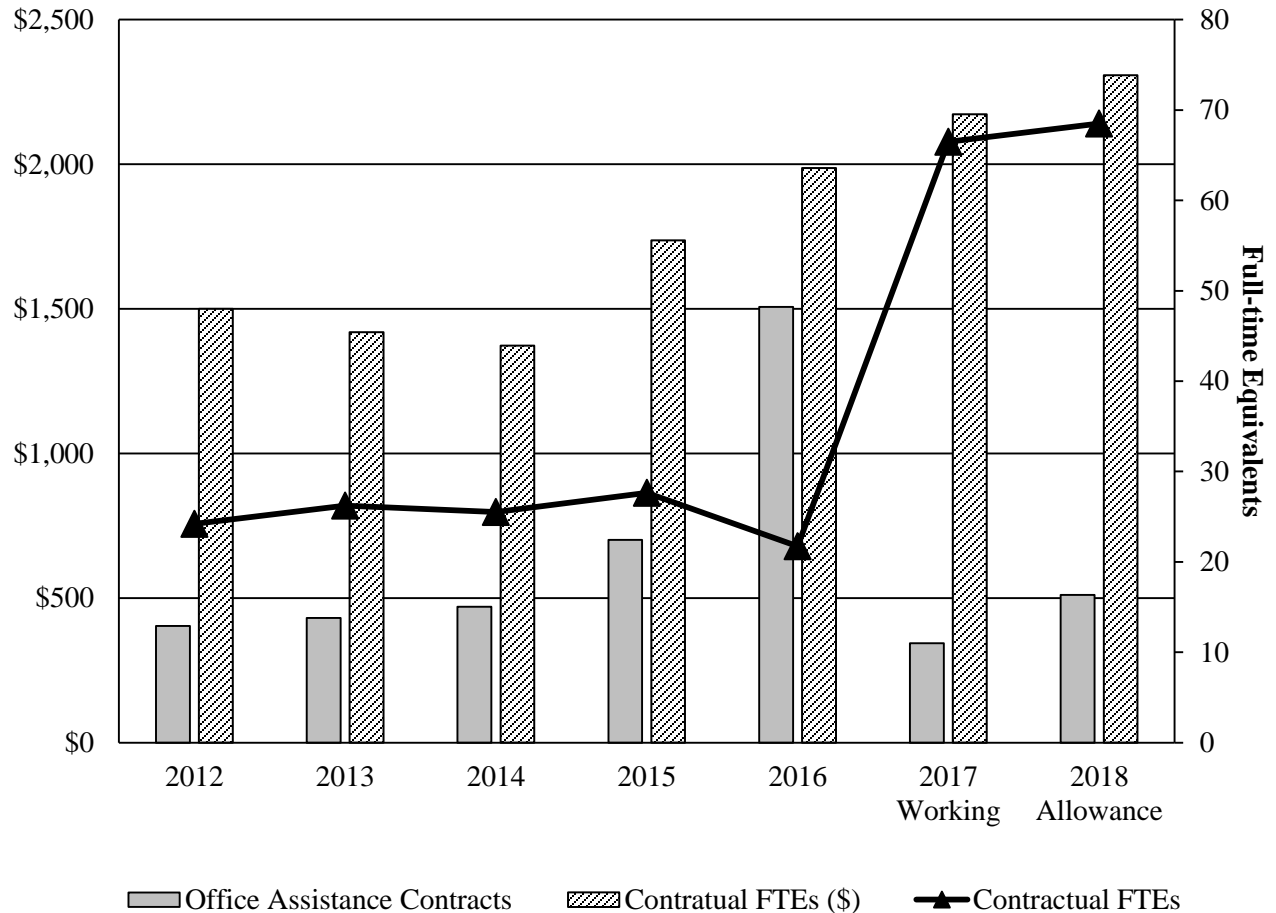
Exhibit 11
Department of State Police
Civilian Separations versus New Hires
Calendar 2012-2016



Source: Department of State Police

DSP has mitigated the impact of shortages in civilian staffing in two ways: (1) by utilizing troopers at a higher cost; and (2) through increased use of contractual employment and office assistance contracts. **Exhibit 12** shows how funding for full-time equivalents and office assistance contracts increased by 14% and 115%, respectively, between fiscal 2015 and 2016. The problem with these solutions is the increased expense and the discord between using temporary staffing solutions for permanent or long-term functions.

Exhibit 12
Department of State Police
Use of Temporary Employment
Fiscal 2012-2018 Allowance
(\$ in Thousands)



FTE: full-time equivalent

Source: Department of State Police

The department notes a number of impediments to hiring and retaining civilian staff. On average, filling a civilian vacancy requires six to eight weeks processing time. The hiring process for a majority of civilian positions also includes administration of a polygraph test, which adds approximately 20 days to the process and disqualifies candidates who otherwise qualify for the position. Anecdotally, DSP also points to compensation and competition with other jurisdictions as additional impediments.

DSP is currently engaged in a review of its internal and external hiring policies and practices as a means of improving its hiring, particularly among its civilian workforce. The report is due July 1, 2017. **DSP should provide an update on the status of the hiring policies review, including what specific policies are being examined, and any preliminary conclusions for how to improve hiring, particularly among the civilian workforce.**

2. Legislative Audit Reflects Possible Civilianization of 127 Positions

As was previously mentioned, DSP utilizes sworn troopers to mitigate the impact of civilian staffing shortages and ensure that critical administrative functions are completed. A December 2016 analysis by OLA determined that 127 administrative and support positions currently filled by sworn troopers could be filled by civilians. This change to civilian employees would result in a total salary and fringe benefit savings of approximately \$10.8 million. The majority of the savings (72%) is due to lower employer pension contribution rates for civilians. Additionally, civilianizing the identified positions would make veteran troopers available for deployment into the field.

Exhibit 13 provides a breakdown of identified positions by the rank of officer currently filling the position.

Exhibit 13 Comparison of Payroll Costs for Positions Identified as Candidates for Civilianization

<u>Classification</u>	<u>Positions Identified</u>	<u>Salaries and Fringe Benefits</u>
Trooper First Class	8	\$933,800
Senior Trooper	9	1,229,908
Master Trooper	12	1,955,256
Corporal	19	2,820,325
Sergeant	49	8,274,952
First Sergeant	10	1,719,872
Detective Sergeant	3	556,005
Lieutenant	11	2,227,253
Captain	5	1,063,273
Major	1	270,937
Total Sworn Troopers	127	\$21,051,581
Administrative Officer	22	\$1,421,116
Administrative Program Manager	4	453,669
Administrative Specialist III	2	114,551

W00A – Department of State Police

<u>Classification</u>	<u>Positions Identified</u>	<u>Salaries and Fringe Benefits</u>
Administrator	34	3,018,083
Agency Grants Specialist II	1	67,994
Agency Procurement Specialist II	2	136,786
Airport Paramedic	30	2,376,736
Armorer	1	51,652
Automotive Services Specialist	1	52,970
Computer User Support Specialist II	1	53,907
Database Specialist	2	176,285
Equal Opportunity Officer II	1	63,898
HR Administrator	4	386,217
Internal Auditor Program Supervisor	2	186,598
IT Director III	1	135,797
IT Functional Analyst	3	219,107
IT Technical Support Specialist	4	362,560
MSP Pilot IV	1	114,796
Polygraph Examiner	7	551,235
Program Manager III	1	107,091
Public Affairs Officer II	1	69,297
Services Specialist	1	45,506
Warehouse Supervisor	1	51,652
Total Civilians	127	\$10,217,503

IT: information technology

Source: Office of Legislative Audits, *Department of State Police Workforce Civilianization Special Report*

DSP agreed that all of the 127 positions identified by OLA could be candidates for civilianization based on the assessment criteria established in the study; however, in its response to the OLA report, the department identified 11 positions that it believes should not be civilianized and an additional 32 positions that it would prefer remain filled by sworn personnel. The 84 positions DSP supports converting to civilian classification would still generate approximately \$7.1 million in savings.

Expanding civilian employment has the potential to free up troopers to perform law enforcement-related activities and would assist in lowering the vacancy rate among sworn positions. However, if all 127 troopers were redeployed to law enforcement activities, no cost savings would be realized; instead, DSP would incur additional personnel costs of approximately \$10.2 million to hire civilians to fill those positions. As an alternative solution, the OLA report suggests that DSP could pursue civilianization as vacancies occur in law enforcement activities. Essentially, as troopers separate from DSP service over the course of the fiscal year, the troopers occupying the aforementioned

127 positions could be moved into the sworn vacancy, and those positions could be reclassified for civilian personnel. This would not necessarily reduce the sworn vacancy rate, as additional troopers would not be provided through this method. However, without the results of the department's trooper strength study, it is not known at this time whether additional trooper positions are needed.

DLS recommends that DSP civilianize 50 of the positions identified by OLA through the recommended attrition method. The salaries for the civilian positions should be funded with the appropriation provided for one new trooper class, as civilianizing these positions will provide an equivalent number of veteran troopers available for deployment. DLS recommends restricting funding pending receipt of a report demonstrating that 50 positions have been reclassified by January 1, 2018. Additionally, DLS recommends deleting \$1.0 million of the \$2.4 million provided for the new trooper class, as civilian positions are less costly than sworn personnel.

3. Increasing Work Zone Safety

Chapter 500 of 2009 authorized the use of automated speed enforcement (ASE) in highway work zones and schools as a means of increasing safety without the need for additional staff resources. The Maryland SafeZones program, administered by the State Highway Administration (SHA), the Maryland Transportation Authority, and DSP, only operates in highway work zones. SHA notes that prior to implementation of the ASE system, 70% of drivers in enforced work zones were exceeding the speed limit by 12 miles per hour or more. As of 2015, less than 10% were receiving a citation. The total number of citations issued dropped more than 50% in 2015. Despite this decrease, nine people lost their lives in work zone crashes on SHA maintained roadways in 2014, including two highway workers.

Looking at citation data for 2010 through 2015, a major problem for further safety improvements is how to curb the number of repeat offenders who appear willing to pay the fine because there is no increase in penalties for amassing multiple citations. Since 2010, 667 drivers have averaged at least 2 speed camera citations a year. One driver accumulated 68 citations in the course of a three-year period. These totals do include any warning noticed issued in the first three weeks of a new camera deployment but still reflect the magnitude of some drivers' willingness to speed, regardless of the fine.

One potential solution to this issue is to alter the penalty structure as a means of increasing the deterrent for a driver to continue speeding through a monitored work zone. Currently, any fine from a speed camera ticket is \$40, and there is no risk to losing one's license. Comparatively, if a motorist were to be caught speeding by a patrol officer, the fine is higher than \$40, escalates depending on how fast the vehicle was traveling, and is often doubled in work zones.

DLS recommends legislation be drafted to alter the penalty structure for citations issued by ASE systems. DLS recommends that fines be doubled for any driver receiving more than two citations per year from an ASE system.

W00A – Department of State Police

DSP receives any net revenue from the program. Statute dictates that disbursement of speed camera revenues be first applied to DSP operating costs for the program, and in fiscal 2016, 2017, and 2018, \$7 million in revenues should be used to purchase replacement vehicles for the department's patrol fleet. In fiscal 2016, DSP received slightly more than \$7 million to cover all operating expenses and vehicle purchases. The department was able to utilize approximately \$5.0 million in speed camera revenue to purchase new patrol cars. DSP indicates that the reduction in speed camera revenue did not impact the total number of vehicles purchased, but did require the use of general funds to cover the shortfall.

DSP should comment on how declining speed camera revenues impact departmental operations and whether an adequate amount of speed camera revenue is anticipated in fiscal 2017 and 2018 to cover the cost of replacement vehicle purchases.

Recommended Actions

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

, provided that \$1,000,000 of this appropriation made for the purpose of funding a new trooper class may not be expended for that purpose but instead may be used only to fund the civilianization of a minimum of 50 positions currently filled by troopers, as identified in the Office of Legislative Audits' December 2016 Workforce Civilianization report. 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.

Further provided that \$400,000 of this appropriation made for the purpose of funding a new trooper class may not be expended until the Department of State Police (DSP) submits a report to the budget committees demonstrating that at least 50 positions currently filled by troopers have been reclassified as civilian positions by January 1, 2018. The report shall be submitted to the budget committees by January 10, 2018, and the budget committees shall have 45 days to review and comment. To the extent that positions are not successfully reclassified or the report is not submitted by the requested date, the restricted funds shall revert to the General Fund.

Further provided that the remaining \$1,000,000 of this appropriation made for the purpose of funding a new trooper class shall be deleted in recognition of anticipated personnel savings generated from filling the positions with less costly civilian staff.

It is the intent of the budget committees, given that DSP is currently in the process of evaluating the appropriate size of its workforce, that the civilianization of the 50 positions be achieved via attrition. As sworn position vacancies occur, troopers in administrative positions eligible for civilianization should be transferred into those newly vacant sworn positions and the administrative positions should be reclassified as civilian. This provides the department with less costly administrative staff and deployment of experienced officers in the field, while delaying the determination of whether the department needs additional sworn personnel resources until its staffing study is complete.

Explanation: A December 2016 analysis by the Office of Legislative Audits (OLA) determined that 127 administrative and support positions currently filled by sworn troopers could be filled by civilians. This change to civilian employees would result in a total salary and fringe benefit savings of approximately \$10.8 million. The fiscal 2018 allowance for the DSP includes \$4.8 million to fund two new trooper classes, each with a target goal of 50 graduates. This language directs the department to utilize funding for one of the trooper classes to civilianize 50 of the positions identified in the OLA report, thus allowing 50 veteran officers to be deployed to the field, as opposed to 50 new recruits. The language specifies legislative intent that the civilianization occur through attrition of existing sworn positions, in order to avoid the need to provide additional resources until DSP has completed its staffing evaluation

W00A – Department of State Police

that is currently underway. Funds are restricted for the sole purpose of funding the reclassifications and pending receipt of a report demonstrating that at least 50 positions have been civilianized by January 1, 2018. Additionally, the language deletes \$1 million of the appropriation for the new trooper class in recognition of the anticipated personnel savings achieved from hiring less costly civilian staff.

Information Request	Author	Due Date
Civilianization status report	DSP	January 10, 2018

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

Further provided that authorization is hereby provided to utilize \$25,000,000 of funds provided by the Maryland Department of Transportation to support the Field Operations Bureau patrol of roads and highways.

Explanation: This action authorizes the Department of State Police – Field Operations Bureau to use special fund revenue from the Maryland Department of Transportation in lieu of general funds to support its patrol of roads and highways. An equivalent amount of general funds is reduced from the fiscal 2018 appropriation for DSP.

- | | <u>Amount
Reduction</u> |
|---|------------------------------------|
| 3. Delete \$25 million in general funds as part of a plan to fund State Police traffic enforcement activities with Highway User Revenues. According to a recent report from the National Conference of State Legislatures, 25 states support highway patrol type operations with highway funds. The Department of State Police is authorized to process a budget amendment acknowledging an equivalent amount of special fund revenue to support Field Operations Bureau expenses. County governments are held harmless through a \$25 million grant to be provided through the Maryland Department of Transportation Secretary's Office. | \$ 25,000,000 GF |

4. Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, THAT \$1,000,000 of the General Fund appropriation within the Department of State Police (DSP) may not be expended until DSP submits the Crime in Maryland, 2016 Uniform Crime Report (UCR) to the budget committees. The budget committees shall have 45 days to review and comment following receipt of the

report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Further, provided that, if DSP encounters difficulty obtaining necessary crime data on a timely basis from local jurisdictions who provide the data for inclusion in the UCR, DSP shall notify the Governor's Office of Crime Control and Prevention (GOCCP). GOCCP shall withhold a portion, totaling at least 15%, but no more than 50%, of that jurisdiction's State Aid for Police Protection (SAPP) grant for fiscal 2018 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. The 2015 UCR was not submitted until February 2017. As such, this language withholds a portion of the general fund appropriation until the budget committees receive the 2016 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
2016 UCR	DSP	45 days prior to the expenditure of funds
Total General Fund Reductions		\$ 25,000,000

Updates

1. Improving Gender and Racial Diversity

In addition to addressing the basic need to fill vacancies, the department's staffing goals also include creating a more diverse workforce. At the request of the budget committees and in accordance with Chapter 249 of 2014, DSP submitted its third annual *Report on Diversity in Hiring, Promotion, and Retention*. The report, submitted January 31, 2017, provides a snapshot of demographic data for DSP's workforce in the month of November 2016.

Exhibit 14 provides diversity data for the DSP workforce, as was presented in the 2015 and 2016 reports. According to the U.S. Census Bureau, Maryland's total population of 6.0 million people in 2015 consists of 60% Caucasian, 31% African American, and 9% Latino or other. The current DSP workforce does not align with the demographic consistency of Maryland's population, although representation is improving for the Latino population and other races. More diversity exists within the civilian workforce. For the past eight trooper classes, an average of 32% of the graduates have been minorities.

Exhibit 14
Department of State Police
Workforce Diversity
Calendar 2015-2016

	Sworn		Civilian		Combined	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
White	82.9%	83.6%	78.1%	77.2%	81.4%	81.6%
African American	13.5%	12.7%	19.0%	19.2%	15.3%	14.8%
Latino	2.2%	2.2%	0.7%	1.0%	1.7%	1.9%
Other	1.4%	1.5%	2.2%	2.6%	1.6%	1.7%
Female	7.3%	7.3%	48.6%	47.6%	20.6%	20.3%

Source: Department of State Police

DSP is pursuing a number of strategies to increase diversity among recruits, although it should be noted that due to the current environment surrounding law enforcement, DSP and law enforcement agencies across the country are struggling to garner recruits of any kind. Mirroring conversations being held across the nation, DSP does acknowledge that having a workforce that resembles the communities being served helps to build trust and credibility.

W00A – Department of State Police

In March 2016, DSP entered into a five-year contract for a major marketing campaign to improve recruitment efforts, with a focus on increasing recruitment of diverse populations. This includes an enhanced social media presence, a revamp of the DSP website, the creation of a new recruitment video, email marketing, outreach to and through existing troopers, developing partnerships with military entities and the National Guard, and the reestablishment of the Council on Diversity. The department is also enhancing its focus on the Explorer and Cadet programs, acknowledging the benefit of utilizing those programs as a pipeline to becoming a trooper.

The department does note certain impediments to hiring:

- ***Location:*** Thirty-eight percent of Maryland's central region population is minority; however, DSP is not the main law enforcement presence in Baltimore City or Prince George's County. As such, it is difficult to recruit hires from those minority populations.
- ***Compensation:*** DSP salaries are not competitive with Baltimore City and Prince George's County police departments. In addition, Maryland ranks fifth out of seven states, for the starting salary of a trooper, and fourth in terms of the salary offered while in the academy.
- ***Area of Service:*** Statewide jurisdiction means a trooper could be relocated to any part of the State, versus employment with a local law enforcement agency which has a more limited area of jurisdiction.

W00A – Department of State Police

Appendix 1
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 2016					
Legislative Appropriation	\$241,955	\$93,048	\$1,172	\$3,015	\$339,191
Deficiency Appropriation	9,752	0	0	0	9,752
Budget Amendments	5,277	6,524	7,045	9,387	28,233
Reversions and Cancellations	-19	-4,149	-3,617	-1,166	-8,952
Actual Expenditures	\$256,965	\$95,424	\$4,600	\$11,235	\$368,224
Fiscal 2017					
Legislative Appropriation	\$266,636	\$96,307	\$9,701	\$5,718	\$378,363
Cost Containment	0	0	0	0	0
Budget Amendments	17,364	3,616	0	0	20,980
Working Appropriation	\$284,000	\$99,923	\$9,701	\$5,718	\$399,343

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

In fiscal 2016, the total budget for the department increased by approximately \$29.0 million. The general fund appropriation increased by a net of \$15.0 million. The department received an increase of \$9.8 million via a deficiency appropriation to cover \$4.5 million in fiscal 2015 overspending on operating expenses and \$5.3 million to fund two new trooper cadet classes. Budget amendments further increased the fiscal 2016 appropriation by approximately \$5.3 million. The amendments provided funding for personnel expenses as part of a general statewide salary increase and through a new contract agreement for members of the State Law Enforcement Officers' Labor Alliance (SLEOLA) labor union. Those increases were offset by the reversion of approximately \$19,000 at the close of the fiscal year.

The fiscal 2016 special fund appropriation increased by nearly \$2.4 million from the legislative appropriation. Budget amendments provided \$6.5 million in additional funding for personnel expenses and to cover various agency operating expenses. Acknowledgement of revenues received from State, local, and federal agencies for reimbursable services provided by the Department of State Police (DSP) accounted for \$5.0 million of the increase. Approximately \$1.3 million of the increase is attributable to the 2% salary increase and the new contract agreement for members of the SLEOLA. An increase in the number of inspections performed through the Vehicle Salvage Inspection Program also generated an additional \$125,000 in revenue. Offsetting these increases was the cancellation of approximately \$4.1 million, primarily due to higher than anticipated vacancy rates among Field Operations Bureau personnel. Additionally, speed camera revenues were lower than anticipated by approximately \$1.3 million, requiring \$1.2 million in general funds to backfill operating expenses. An additional \$900,000 in funding from the Maryland Emergency Medical System Operations Fund was canceled, as Maryland State Police Aviation Command operating expenses were lower than expected.

The federal fund appropriation increased by \$3.4 million over the legislative appropriation. Budget amendments appropriating federal grants and reimbursements for the Maryland Correctional Adjustment Center, information technology (IT) upgrades, body armor, DNA backlog efforts, intelligence analysis, mobile videos for first responders, and a variety of other equipment and programs resulted in an increase of \$7.0 million. A federal fund cancellation reduced the appropriation by \$3.6 million due to unspent federal grants.

The reimbursable fund appropriation increased by \$8.2 million. Budget amendments increased the appropriation by \$9.4 million for Major Information Technology Development Projects (\$6.2 million) and to carry forward or appropriate grant funds (\$3.2 million). A total of \$1.2 million in reimbursable funds was cancelled due to overestimation of grant funds and vacancies within the IT division.

Fiscal 2017

The fiscal 2017 working appropriation for DSP reflects an increase over the legislative appropriation of \$17.4 million in general funds and \$3.6 million in special funds. Approximately \$11.7 million in general funds and \$2.4 million in special funds was transferred by via budget

W00A – Department of State Police

amendment from the Department of Budget and Management to fund provisions in the new collective bargaining agreement with SLEOLA. Additionally, DSP received \$5.7 million in general funds and \$1.3 million in special funds for employee increments.

Appendix 3
Major Information Technology Projects
Automated Licensing and Registration Tracking System (ALRTS)

Project Status	Implementation.			New/Ongoing Project:		Ongoing.		
Project Description:	The Firearm Safety Act of 2013 added to existing firearm laws the requirement that individuals wishing to purchase a firearm in Maryland request and receive a Handgun Qualification License, requiring background checks, fingerprinting, and firearm safety training. The Department of State Police (DSP) has been charged with automating and streamlining the process by which a citizen of Maryland requests approval to purchase a firearm. This will involve automating the entire firearm application process, from dealers applying to DSP to sell firearms in the State, to a web-accessible form submitted electronically to the agency, processing of the application, billing, and reconciliation of fees, to providing real time or near real time reporting metrics.							
Project Business Goals:	Currently, firearm applications are received at DSP headquarters in hardcopy only. Implementation of the automated system will reduce turnaround time needed for review and approval, reduce the amount of manual data entry needed for each application, provide easier file transfers, reduce hardcopy record storage, and ultimately save time and money for State taxpayers. DSP requires that the system proposed integrate with current licensing processes and the functionality and processes developed as part of automating the background check queries.							
Estimated Total Project Cost:	\$7,884,400			Estimated Planning Project Cost:		\$7,627,278		
Project Start Date:	March 2013			Projected Completion Date:		April 2018		
Schedule Status:	Staff changes and resource availability with DSP necessitated a brief postponement in the original deployment schedule. The impact to the overall project schedule is a 10-month delay in the completion date, from June 2017 to April 2018. DSP is nearing deployment of the first phase of the project, and is in the early development stages of the handgun permit process.							
Cost Status:	The total project cost increases by nearly \$600,000 when compared to estimates provided during the 2016 session. The funding schedule now includes \$500,000 in fiscal 2019 for operations and maintenance of the system, in addition to including funding for Department of Information Technology (DoIT) oversight.							
Scope Status:	No known or anticipated scope changes at this time.							
Project Management Oversight Status:	DoIT is maintaining regular communication with stakeholders and DSP regarding scope, schedule, cost, and risk management strategies, as resource availability via DSP has been noted as a significant risk to the project.							
Identifiable Risks:	Significant staffing, equipment, training, and space challenges have been noted with this project, resulting in the availability of DSP resources being highlights as a high risk to the project. Lack of available staff and resources has already resulted in a 10-month delay in the project schedule.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Balance to Complete	Total
Personnel Services	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5
Professional and Outside Services	5.8	1.1	0.5	0.0	0.0	0.0	0.0	7.4
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$6.3	\$1.1	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$7.9

W00A – Department of State Police

Appendix 3
Object/Fund Difference Report
Department of State Police

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	2,437.50	2,435.50	2,435.50	0.00	0%
02 Contractual	21.74	66.49	68.49	2.00	3.0%
Total Positions	2,459.24	2,501.99	2,503.99	2.00	0.1%
Objects					
01 Salaries and Wages	\$ 293,382,047	\$ 326,445,880	\$ 323,074,292	-\$ 3,371,588	-1.0%
02 Technical and Spec. Fees	1,986,389	2,172,192	2,307,825	135,633	6.2%
03 Communication	3,054,292	5,115,047	5,471,440	356,393	7.0%
04 Travel	473,704	729,618	434,050	-295,568	-40.5%
06 Fuel and Utilities	2,916,738	3,160,148	3,148,281	-11,867	-0.4%
07 Motor Vehicles	21,112,186	24,373,928	23,371,003	-1,002,925	-4.1%
08 Contractual Services	22,712,608	12,865,805	13,350,067	484,262	3.8%
09 Supplies and Materials	5,497,018	3,086,652	3,024,035	-62,617	-2.0%
10 Equipment – Replacement	5,080,811	2,363,750	2,507,875	144,125	6.1%
11 Equipment – Additional	3,040,477	919,524	622,783	-296,741	-32.3%
12 Grants, Subsidies, and Contributions	7,054,905	15,993,337	13,717,895	-2,275,442	-14.2%
13 Fixed Charges	1,912,786	2,117,119	2,008,600	-108,519	-5.1%
Total Objects	\$ 368,223,961	\$ 399,343,000	\$ 393,038,146	-\$ 6,304,854	-1.6%
Funds					
01 General Fund	\$ 256,965,150	\$ 283,999,809	\$ 280,643,000	-\$ 3,356,809	-1.2%
03 Special Fund	95,423,833	99,923,301	99,745,253	-178,048	-0.2%
05 Federal Fund	4,600,049	9,701,450	6,926,450	-2,775,000	-28.6%
09 Reimbursable Fund	11,234,929	5,718,440	5,723,443	5,003	0.1%
Total Funds	\$ 368,223,961	\$ 399,343,000	\$ 393,038,146	-\$ 6,304,854	-1.6%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 4
Fiscal Summary
Department of State Police**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Maryland State Police	\$ 360,258,149	\$ 390,782,907	\$ 383,567,031	-\$ 7,215,876	-1.8%
02 Fire Prevention Commission and Fire Marshal	7,965,812	8,560,093	9,471,115	911,022	10.6%
Total Expenditures	\$ 368,223,961	\$ 399,343,000	\$ 393,038,146	-\$ 6,304,854	-1.6%
General Fund	\$ 256,965,150	\$ 283,999,809	\$ 280,643,000	-\$ 3,356,809	-1.2%
Special Fund	95,423,833	99,923,301	99,745,253	-178,048	-0.2%
Federal Fund	4,600,049	9,701,450	6,926,450	-2,775,000	-28.6%
Total Appropriations	\$ 356,989,032	\$ 393,624,560	\$ 387,314,703	-\$ 6,309,857	-1.6%
Reimbursable Fund	\$ 11,234,929	\$ 5,718,440	\$ 5,723,443	\$ 5,003	0.1%
Total Funds	\$ 368,223,961	\$ 399,343,000	\$ 393,038,146	-\$ 6,304,854	-1.6%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

W00A – Department of State Police