

W10A00
Department of State Police

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$178,772	\$164,037	\$179,016	\$14,979	9.1%
Contingent & Back of Bill Reductions	0	0	-2,942	-2,942	
Adjusted General Fund	\$178,772	\$164,037	\$176,074	\$12,037	7.3%
Special Fund	61,807	73,887	84,382	10,495	14.2%
Contingent & Back of Bill Reductions	0	0	-795	-795	
Adjusted Special Fund	\$61,807	\$73,887	\$83,587	\$9,700	13.1%
Federal Fund	3,527	34,365	23,005	-11,359	-33.1%
Adjusted Federal Fund	\$3,527	\$34,365	\$23,005	-\$11,359	-33.1%
Reimbursable Fund	2,218	9,878	1,945	-7,933	-80.3%
Adjusted Reimbursable Fund	\$2,218	\$9,878	\$1,945	-\$7,933	-80.3%
Adjusted Grand Total	\$246,323	\$282,167	\$284,611	\$2,444	0.9%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- The fiscal 2011 allowance increases by \$2,444,363, or 0.9%, when funds are adjusted for across-the-board reductions. However, the true increase in the budget is masked by a \$14.6 million reduction in grant funds. Absent grant funding, the allowance increases by \$17.0 million, or 6.5%.
- The increase in the budget is largely attributed to a \$22,331,559, or 10.3%, increase in personnel expenditures.
- Special funds increase by \$9.7 million, or 13.1%, mostly due to the receipt of \$7.1 million in special funds from the Speed Monitoring Systems Fund.

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

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- Grant funds decline by \$14.6 million, or 76.3%, mostly due to a reduction in anticipated federal grant funds.

Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	2,440.50	2,415.50	2,425.50	10.00
Contractual FTEs	<u>33.27</u>	<u>32.39</u>	<u>33.39</u>	<u>1.00</u>
Total Personnel	2,473.77	2,447.89	2,458.89	11.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	109.39	4.51%
Positions and Percentage Vacant as of 12/31/09	185.00	7.66%

- The allowance includes 10 new regular full-time positions for speed camera operations. The allowance also includes 1 new contractual full-time equivalent within the Vehicle Salvage Program.
- Turnover expectancy is decreased from 7.33 to 4.51%.
- As of December 31, 2009, the vacancy rate was 7.66%. Four of these vacancies have subsequently been filled, thereby, reducing the vacancy rate to 7.49%.

Analysis in Brief

Major Trends

Maryland's Crime Rate Increases in 2008: Calendar 2008 marked the first year that Maryland's crime rate has increased since 2001.

Maryland's Murder Rate Exceeds National Average: In calendar 2008, Maryland's crime rate for murder of 8.8 offenses per 100,000 persons exceeded the national average of 5.4 murders per 100,000 persons.

Issues

Medevac Replacement and Safety Improvements: Medevac operations began in Maryland in 1970 with a limited fleet of single engine Bell "Jet Ranger" helicopters. The life expectancy of the airframes was not certain when originally purchased; therefore, beginning in the late 1990s, a number of studies were conducted to determine the optimal time for replacing the fleet. Following a fatal helicopter (Trooper 2) accident in 2008, new protocols were implemented to determine whether an injured patient is airlifted to a trauma center. In November 2008, a panel of national experts convened to review and make recommendations regarding Maryland's emergency transport protocol. The panel recommended that all Medevac operations be conducted under Part 135 of the Federal Aviation Administration (FAA) regulations; the Maryland State Police Aviation Command (MSPAC) take the necessary steps to achieve accreditation by the Commission for the Accreditation of Medical Transport Systems; and that Maryland evaluate the number of helicopters and bases needed for helicopter emergency medical services in Maryland. The fiscal 2010 capital budget included \$52.5 million in general obligation bonds for the procurement of three new helicopters. **MSPAC should update the committees on the status of the helicopter procurement and the safety initiatives recommended by the panel.**

Speed Cameras: Chapter 500 of 2009 extended the authorization for use of speed monitoring systems in school zones (statewide) by local law enforcement. Chapter 500 also authorized the use of work zone speed control systems. According to the Department of State Police (DSP), the State Highway Administration (SHA) has taken the lead on establishing speed control systems in highway work areas. SHA has entered into a short-term contract with a vendor to deploy two mobile enforcement vehicles at specified locations. However, this contract is expected to expire in June 2010. In November 2009, a request for proposals (RFP) was issued to select a long-term vendor. SHA is in the process of reviewing proposals, and it is anticipated that an award will be made in the coming months. Discussions with the Department of Budget and Management (DBM) have indicated that the Administration has included 10 new positions in the allowance to avert the need to enter into a more costly vendor contract agreement. Nonetheless, the current RFP is still being pursued by SHA and DSP. These two contradictory alternatives should not be pursued at the same time. **Therefore, DLS recommends budget bill language that prohibits SHA, DSP, or the Maryland Transportation Authority (MDTA) from entering into a vendor agreement for speed**

camera operations. DLS also recommends language that restricts \$500,000 in funding until DSP, SHA, DBM, and MDTA submit a formalized plan on speed camera operations. DLS also recommends budget bill language that requires DSP to offset speed monitoring revenues in excess of \$5 million with a general fund reversion.

Audit Findings Raise Concern about DSP's Ability to Manage Funds as an Independent Entity: Chapter 166 of 1994 established DSP as a principal unit of the Executive department. Prior to 1994, DSP had been part of the Department of Public Safety and Correctional Services (DPSCS) for over 20 years. Subsequent to being established as a principal unit of government, there have been numerous audit findings by the Office of Legislative Audits (OLA) that have raised concern about DSP's ability to manage funds. **In light of the growing number of audit findings that have raised concern about DSP's ability to manage funds properly, and in an effort to provide better oversight, DLS recommends that the budget committees consider reestablishing DSP as a unit within DPSCS.**

Public Safety Education and Training Center Food Services Contract: In August 2009, the Board of Public Works (BPW) approved an emergency procurement contract for food services at the Public Safety Education and Training Center (PSETC). According to the BPW item, approximately one month after renewal of the contract with Black Tie Catering, the vendor refused to appear at the PSETC to provide food service. Currently, DSP is the primary user of the cafeteria as candidates are provided with three meals per day during residency training. Under the previous contract, DSP paid \$15 per day for each candidates' meal. The current contract requires DSP to pay an increased price of \$27 per day for cadets' meals. According to DSP, both the fiscal 2010 working appropriation and the fiscal 2011 allowance include \$200,000 for food services at PSETC. **The department should comment on whether sufficient funding has been budgeted to cover food services in light of the recent increase in price.**

Recommended Actions

Funds

1. Add budget bill language to reduce the allowance for cell phone expenditures.
2. Add budget bill language to reduce the allowance for printing and duplication expenses.
3. Add budget bill language requiring a revenue offset for speed monitoring revenues.
4. Add budget bill language that restricts \$1,000,000 of the general fund appropriation until the Department of State Police submits the 2009 *Uniform Crime Report*.

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5.	Reduce special funds for turnover expectancy to better reflect historical turnover rate.	\$ 1,964,172
6.	Adopt committee narrative requiring a helicopter maintenance study.	
7.	Delete funding to purchase a replacement vehicle.	22,290
8.	Add budget bill language to restrict funds until a report is submitted outlining the long-term plan for speed camera operations.	
	Total Reductions	\$ 1,986,462

Updates

National Transportation Safety Board Findings: In October 2009, the National Transportation Safety Board (NTSB) testified before the House Emergency Medical Services Systems Workgroup about its findings regarding the 2008 helicopter accident involving Trooper 2. As part of its findings, NTSB made several recommendations to FAA, MSPAC, Prince George’s County, and various emergency services organizations.

New Medevac Protocols: Following the fatal helicopter accident, new protocols were implemented to determine whether an injured patient is airlifted to a trauma center. Under the new guidelines, Medevac requests for trauma patients with seemingly noncritical injuries now require a medical consultation with a trauma center prior to dispatching a helicopter. In the year following the protocol change, there has been a marked reduction in helicopter scene transports.

Department of Natural Resources Missions: The fiscal 2010 budget deleted funding and related positions for the Department of Natural Resources (DNR) Aviation Division as this responsibility was assumed by MSPAC. MSPAC reports that it has made every attempt to accommodate DNR with its preplanned missions; however, MSPAC’s ability to accommodate DNR is often limited by the age of the current fleet.

Silver Alert Program: Chapter 503 of 2009 established a statewide Silver Alert Program within the department. The program is designed to provide a system for rapid dissemination of information to assist in locating missing persons.

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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 provides overall administration of the agency including legal counsel, public affairs, and planning. The commanders/directors 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.
- The Field Operations Bureau manages 22 police barracks, the Automotive Safety Enforcement Division, Commercial Vehicle Enforcement Division, Special Operations Division, Transportation Safety Division, and the Aviation Command. The bureau promotes traffic safety, crime-free communities, and provides qualified Aviation Command personnel to provide timely Medevac transports throughout the State.
- The Criminal Investigation Bureau manages the Homeland Security and Intelligence Division, Analytical 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.
- The Support Services Bureau provides direction for three distinct administrative support commands:
 - The Personnel Command includes Administrative Hearing, Department Prosecutor, Human Resources, Promotional Testing, and the Education and Testing Divisions.
 - The Logistics Command includes the Electronics Systems, Facilities Management, Information Technology, Motor Vehicles, and Quartermaster Divisions.
 - The Records Command includes the Licensing Division and Central Records.

Within these functions, the bureau 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.

Fire Prevention Commission and State Fire Marshal

The Fire Prevention Commission and Fire Marshal are charged with safeguarding life and property from the hazards of fire and explosion.

Performance Analysis: Managing for Results

Maryland's Crime Rate Increases in 2008

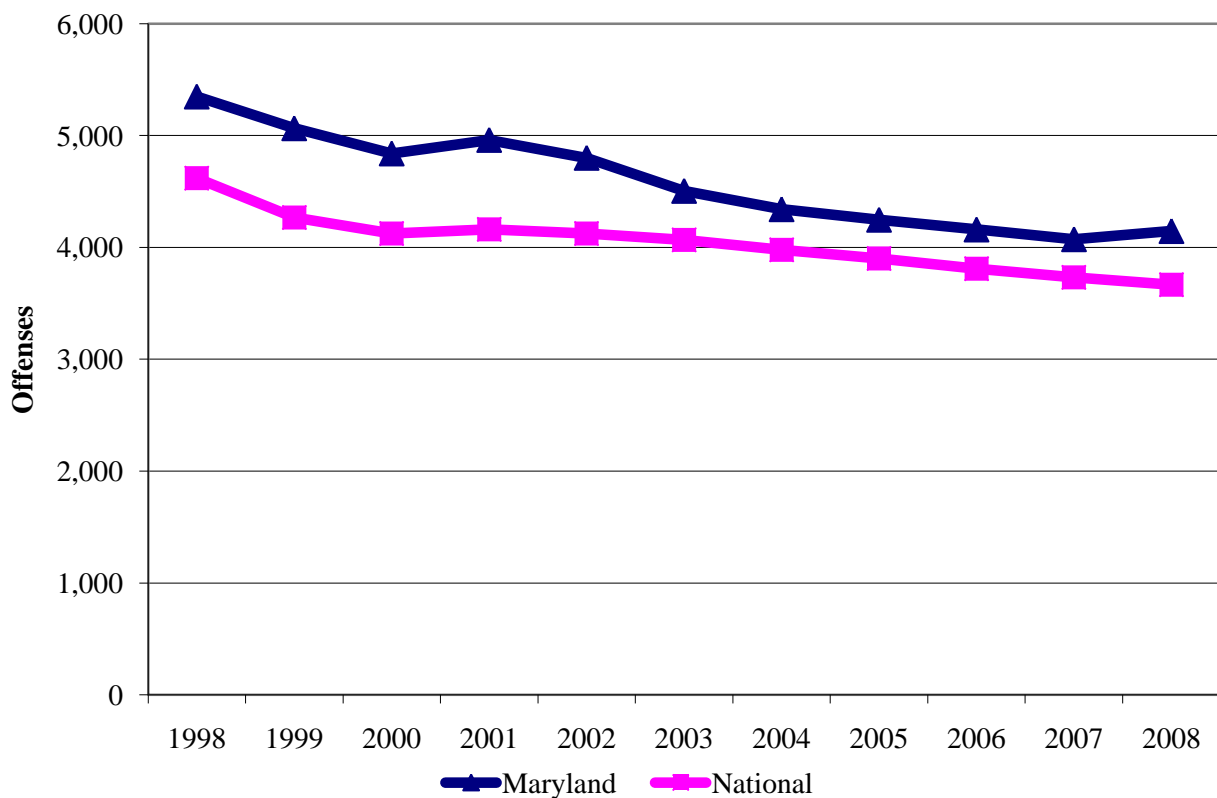
In 1975, by statute, Maryland instituted a program to require all local law enforcement agencies to submit standardized crime reports based on the federal reporting system to ensure consistency. Data for the reports is gathered from each agency's record of complaints, investigations, and arrests. The Maryland State Police compile the information by calendar year, which is published as *Crime in Maryland, Uniform Crime Report*. 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. Although all these acts are crimes in Maryland, Maryland law may use different terms. For instance, forcible rape in the *Uniform Crime Report* would be either first or second degree rape or first or second degree sexual offense under Maryland law.

The *Uniform Crime Report* 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 2008, Maryland's crime rate of 4,146 victims for every 100,000 inhabitants exceeded the national average of 3,667 victims for every 100,000 inhabitants. Calendar 2008 marked the first year that Maryland's crime rate has increased since 2001 (see Exhibit 1).

Exhibit 1
Maryland and National Crime Rate Trends
Offenses Per 100,000 of Population
Calendar 1998-2008

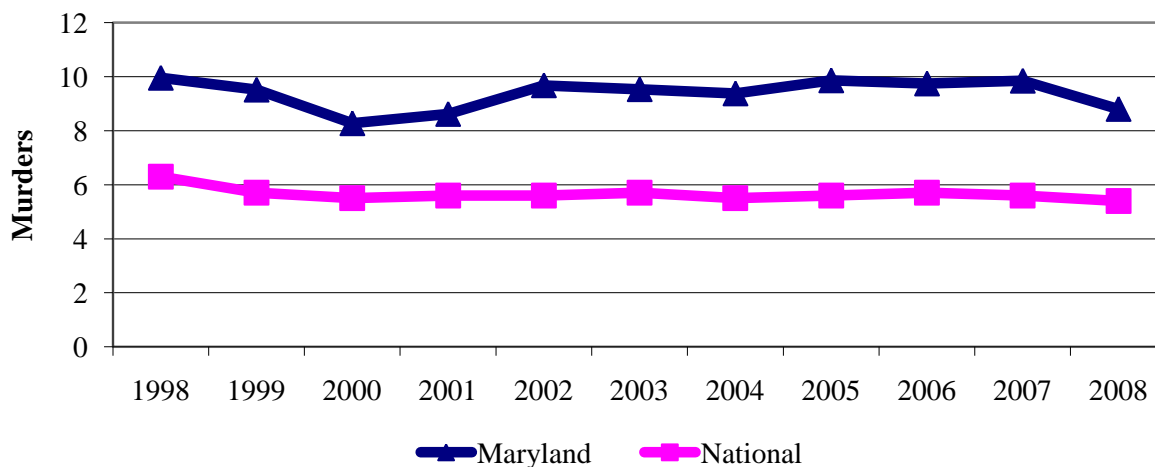


Source: 2008 *Uniform Crime Report*; Federal Bureau of Investigation

Maryland's Murder Rate Exceeds National Average

In calendar 2008, Maryland's crime rate for murder of 8.8 offenses per 100,000 persons exceeded the national average of 5.4 murders per 100,000 persons (see **Exhibit 2**). Although Maryland's crime rate exceeded the national average, the number of murders reported to law enforcement agencies in Maryland declined from 553 to 493 in calendar 2008.

Exhibit 2
Maryland and National Murder Trends
Per 100,000 of Population
Calendar 1998-2008



Source: 2008 *Uniform Crime Report*; Federal Bureau of Investigation

Performance Audit

The Office of Legislative Audits (OLA) conducted a performance audit to determine the accuracy of selected Managing for Results (MFR) performance measures reported in fiscal 2009. In doing so, OLA selected 13 measures contained within the Public Safety and Safer Neighborhoods portion of the *State Comprehensive Plan* and categorized each measure as either certified, certified with qualification, inaccurate, or indicated whether factors prevented certification. With regard to DSP, OLA evaluated two of the department's performance measures. While OLA was able to certify the department's firearm homicide rate, OLA was unable to certify DSP's traffic fatality rate. According to the report, the methodology used to calculate this measure was inconsistent with the established definition. OLA noted that while the definition indicated that fatalities occurring within 90 days of the traffic accident were to be used in the calculation, DSP only used fatalities that occurred within 30 days of the accident. Additionally, the system used to collect data for the measure did not capture the date of death (when death occurred subsequent to the accident date) to enable a

determination of whether all appropriate traffic fatalities were included in the measure result. DSP reports that it has since changed its MFR definition to reflect the 30-day measurement and that it currently captures the date of death subsequent to the date of the accident to ensure the accuracy of the measure.

Fiscal 2010 Actions

Impact of Cost Containment

The department was required to reduce the total budget by \$7.6 million due to cost containment actions taken by the Board of Public Works (BPW) in fiscal 2010. Cost savings were primarily achieved by:

- implementing employee furloughs (\$3,131,425);
- reducing equipment and supplies expenditures for items such as motor vehicles and ammunition (\$1,872,696);
- reducing the special fund appropriation for vehicle theft prevention grants (\$873,166);
- across-the-board reductions in areas such as electricity, communications, and travel (\$683,508);
- holding 6 positions vacant throughout the department (\$502,353);
- abolishing 5 positions throughout the department (\$288,611);
- consolidating DSP's Investigations Bureau operations into a single facility (\$137,936); and
- reducing funds budgeted for print shop operations as this function will now be performed by the Department of General Services (\$119,855).

Revenue Transfers to the General Fund

The Budget Reconciliation and Financing Act (BRFA) of 2009 authorized the transfer of \$1.0 million from the Vehicle Theft Prevention Fund to the general fund. The transfer of an additional \$1.8 million from the Vehicle Theft Prevention fund is among those actions proposed by the Governor to balance the fiscal 2010 budget. Budget reconciliation and financing legislation has been introduced during the 2010 legislative session in order to make this transfer. Following both of these transfers, it is estimated that the remaining balance in this fund will be nearly depleted.

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Cost containment actions taken by BPW also include the recognition of \$370,953 in revenues from the Vehicle Salvage Fund to the general fund. The Automotive Safety Enforcement Division is responsible for collecting a \$25 salvage vehicle inspection fee at the time of inspection.

Federal Stimulus Fund

The American Recovery and Reinvestment Act of 2009 (ARRA) included over \$3.0 billion for criminal justice initiatives nationwide. The fiscal 2010 appropriation includes \$22.2 million in ARRA funding. Approximately \$19.9 million, or 89%, of this amount represents discretionary stabilization funds.

Proposed Budget

As shown in **Exhibit 3**, the allowance increases by \$2,444,363, or 0.9%, when funds are adjusted for across-the-board reductions.

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

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2010 Working Appropriation	\$164,037	\$73,887	\$34,365	\$9,878	\$282,167
2011 Allowance	<u>179,016</u>	<u>84,382</u>	<u>23,005</u>	<u>1,945</u>	<u>288,348</u>
Amount Change	\$14,979	\$10,495	-\$11,359	-\$7,933	\$6,181
Percent Change	9.1%	14.2%	-33.1%	-80.3%	2.2%
Contingent Reduction	-\$2,942	-\$795	\$0	\$0	-\$3,737
Adjusted Change	\$12,037	\$9,700	-\$11,359	-\$7,933	\$2,444
Adjusted Percent Change	7.3%	13.1%	-33.1%	-80.3%	0.9%

Where It Goes:

Personnel Expenses

10 new positions for speed camera operations.....	\$783
Employees' retirement.....	23,061
Turnover adjustments.....	4,089
Employee and retiree health insurance (after reducing fiscal 2011 for across-the-board reductions)	1,809
Employee earnings (after reducing fiscal 2011 for furloughs)	-5,806
Overtime expenses	-1,129
Workers' compensation (after reducing fiscal 2011 for across-the-board reductions).....	-579
Other adjustments	104

Other Changes

New contractual full-time equivalent position for the Vehicle Salvage Program.....	44
Energy performance contract payments to upgrade lighting fixtures	245
Printing and duplication expenses.....	191
Cell phone expenditures.....	63
Anticipated grants from the Military Department and the federal government	-14,594
Motor vehicle expenses.....	-2,376
Equipment expenditures.....	-1,984
Contractual services expenses.....	-1,276
Supplies and materials	-191
Other	-10

Total **\$2,444**

Note: Numbers may not sum to total due to rounding

Employee Retirement

Employee retirement for existing positions increases by \$23.1 million, or 69%, mostly due to an increase in the State Police retirement rate. The fiscal 2011 allowance for State Police retirement comprises approximately 98% of personnel expenses and 8% of the total budget. As shown in **Exhibit 4**, the allowance reflects a State Police retirement contribution rate of 57%, a 26 percentage point increase above the fiscal 2010 retirement rate. The increase in the amount of funding budgeted for State Police retirement is due to a number of factors, including low investment returns within the pension fund and a high ratio of retirees to active employees. Additionally, the department is still experiencing the latent effects of a miscontribution to the pension fund in fiscal 2005 due to actuarial error.

Exhibit 4 State Police Retirement Contribution Rates Fiscal 2007-2011

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Rate	14%	15%	21%	31%	57%

Note: The fiscal 2009 contribution rate was certified at 20.53% by the Board of Trustees of the Pension System, but was later corrected upon the discovery of an actuarial error. The corrected rate was 25.27% of payroll, although actual contributions were based on the erroneous rate.

Source: State Retirement Agency, Department of Budget and Management

Grant Expenditures

The allowance reflects a \$14.6 million reduction in anticipated grant funds. This reduction is primarily due to a decline in anticipated grants from the federal government, Maryland Military Department, and the Governor’s Office of Crime Control and Prevention. Grants are used for a variety of law enforcement and homeland security measures. The amount is only an estimate of expected grants throughout the fiscal year.

Computer Aided Dispatch/Records Management System

In July 2008, the Governor issued an executive order establishing a project management office within the department to oversee the implementation of a statewide 700 megahertz communications system; a statewide computer-aided dispatch/records management system for statewide law enforcement and public safety usage; and a project to connect disparate closed circuit television systems across the State in order to improve public safety. Agencies participating in this initiative include DGS, the Department of Natural Resources (DNR), the Maryland Department of Transportation (MDOT), the Maryland Institute for Emergency Medical Services Systems (MIEMSS), and DSP. The fiscal 2010 allowance includes \$750,000 in reimbursable funds and

\$6.3 million in general funds in the Department of Information Technology's (DoIT) Major Information Technology Project Development fund for this purpose (see **Appendix 3**). It should also be noted that the BRFA of 2010 includes a provision that would swap \$5.0 million of DoIT general funds for \$5.0 million in special funds derived from the State 9-1-1 fee in fiscal 2011 for this project.

Impact of Cost Containment

The fiscal 2011 budget reflects several across-the-board actions to be allocated by the Administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, Department of Legislative Services (DLS) has estimated the distribution of selected actions relating to employee furloughs, health insurance, and the Injured Workers' Insurance Fund cost savings.

Budget Reconciliation and Financing Legislation

Chapter 416 of 2006 requires that half of the revenue generated from a \$7.50 traffic citation surcharge be credited to the State Police Helicopter Replacement Fund (SPHRF). The BRFA of 2010 authorizes the transfer of 100% of the surcharges collected under Chapter 416 to the general fund for fiscal 2010 through 2012. According to the Maryland Judiciary, \$1,142,906 in surcharge revenue was collected for purposes of the SPHRF in fiscal 2009. It is estimated that at least \$1.0 million will be collected annually due to the surcharge in fiscal 2010 through 2012.

Federal Stimulus Fund

The fiscal 2011 allowance includes \$20.3 million in discretionary stabilization funds (\$19.9 million) and Internet Crimes Against Children grant funds (\$436,000).

Issues

1. Medevac Replacement and Safety Improvements

Emergency medical evacuation (Medevac) operations began in Maryland in 1970 with a limited fleet of single engine Bell “Jet Ranger” helicopters. A crash involving one of these helicopters in 1986 prompted a review and ultimately the recommendation to upgrade and expand the fleet. The first of Maryland State Police Aviation Command’s (MSPAC) current fleet was purchased in 1989. The fleet consists of three models of aircraft, several of which have been modified to meet the latest models specifications (see **Exhibit 5**).

For almost 10 years, MSPAC operated with a fleet of 12 Eurocopter Dauphin and 2 fixed winged aircraft. As a result of the 2008 helicopter accident, MSPAC now operates with 11 helicopters at seven bases.

Exhibit 5 Medevac Helicopter Models

<u>Year Purchased</u>	<u>Model</u>	<u>Retrofit Date</u>
1989	N-1*	
1989	N-1	
1989	N-1	
1989	N-1M	February 2003
1989	N-1M	November 2000
1989	N-1M	October 2002
1990	N-1M	June 2001
1990	N-1M	May 2002
1990	N-1M	November 2001
1994	N-2	
1994	N-2	
1999	N-3	

*Helicopter is no longer in use due to accident.

Source: Department of State Police

Over time, MSPAC’s mission has evolved to primarily include medical evacuations; search and rescue; law enforcement; and most recently, homeland security (see **Exhibit 6**). This structure is largely unique to Maryland. Most states do not operate on this scale nor provide a centralized dispatch system. The department’s rigorous maintenance schedule and the retrofits of many of the original models have contributed to a longer than expected lifespan for certain aspects of the fleet.

Exhibit 6
Helicopter Mission Types and Definitions

Medevac	Provision of emergency medical services care in conjunction with the rapid helicopter transfer of an ill or injured patient from a field site to a trauma center or to another specialty center within an expedited time frame.
Patient Transfer	Provision of patient interhospital transfer involving transport for critically injured or ill patients from one hospital to another for a higher level of care.
Damage Assessment	Provision of aerial surveys from natural and manmade disasters. For statistical purposes, these missions are considered a type of law enforcement mission.
Law Enforcement	Support for law enforcement activities, generally within State boundaries, includes searching for and tracking suspected criminals, searching for stolen property (such as vehicles), civil disturbance responses, tactical medical support, and transfers of police personnel.
Search & Rescue	Provision of aerial search and rescue services for lost or disoriented children and adults, and for missing, lost, or overdue property, aircraft, and watercraft.
Homeland Security	Operations related to proactive and as-needed services, including patrol checks of potential terrorist targets, and transport of personnel for homeland security incidents.
Support	Operations related to personnel training, maintenance, demonstration, and executive transport.
DNR Missions	Provide support to DNR for law enforcement, search and rescue missions, and aerial surveillance. Enforcement flights include high traffic boating saturations, waterskiing enforcement, crabbing enforcement, and fishing enforcement.

DNR: Department of Natural Resources

Source: Department of Legislative Services

The life expectancy of the airframes was not certain when originally purchased; therefore, beginning in the late 1990s, a number of studies were requested to address the cost, timing, and financing for replacing the fleet. The latest study, prepared by SMART Business Advisory and Consulting, LLC, was submitted to the legislature on June 1, 2006. The study was prepared under the direction of MDOT.

Strategic Plan for Helicopter Replacement

The fiscal 2006 capital budget directed DSP and other Emergency Medical Services (EMS)-related entities to prepare a report on helicopter replacement. Due to delays, the fiscal 2007 budget also requested a report on the schedule of replacement and a financing plan. The report recommended replacing all 12 helicopters, and maximizing trade-in value by beginning replacement in fiscal 2009. After a 20-year service life, trade-in values drop. Having one airframe also reduces hours for training pilots and mechanics, can circumvent maintenance overlap problems, and reduce the need for multiple parts, and safer operations due to standardized emergency procedures.

Legislative History Regarding the Replacement of the Fleet

The General Assembly's intent to replace the existing fleet dates back to the 2007 legislative session. Chapter 6 of the 2007 special session provided that a portion (\$110 million) of the revenues from the increased sales and use tax in fiscal 2008 be directed to the SPHRF. Chapter 6 also expressed the intent of the General Assembly that the Governor include sufficient expenditures from the fund to purchase three helicopters per year from fiscal 2009 to 2012. However, the Spending Mandate and Revenue Dedication Relief Act of 2008 (Chapter 414 of 2008) modified Chapter 6 to dedicate \$50 million, rather than \$110 million, to SPHRF. To replace this funding, Chapter 414 also required the Governor to include a total of \$70 million for the purchase of Medevac helicopters in the fiscal 2010, 2011, and 2012 State budgets. These funds may be from any budgetary fund that receives sales and use tax, and appropriations may be reduced by the amount of capital debt that may be authorized for helicopters or by any contribution, transfer, or financing acquired from the Maryland Automobile Insurance Fund as authorized by act of the General Assembly.

During the 2008 legislative session, the General Assembly approved \$33.6 million pay-as-you-go special funds to procure the first installment of three Medevac helicopters. However, due to budget constraints the appropriation was cancelled because the BRFA of 2009 authorized the transfer of the remaining \$52.7 million balance from SPHRF to the general fund. In lieu of these funds, the Maryland Capital Consolidated Capital Bond Loan of 2009 included \$52.5 million in general obligation (GO) bonds for the purchase of the first three Medevac helicopters.

Recent Developments Regarding the Medevac Procurement

While it was anticipated that the fiscal 2011 *Capital Improvement Program* (CIP) would include an additional \$40 million in GO bonds for the procurement of the second installment of three helicopters, the CIP does not include any funding for this purpose. Acquisition funding has been deferred to allow time for the initial helicopter procurement process to be completed. According to the CIP, the fiscal 2010 authorization should be sufficient to procure up to four helicopters. Fiscal 2012 and 2013 funding levels will be revised once the initial procurement has been completed and the EMS Board has completed its review of the number and distribution of helicopters and bases throughout Maryland. MSPAC reports that the procurement is currently in the proposal review phase, and it is anticipated that a recommendation will be made to the Helicopter Executive Committee for approval in the near term.

Recent Developments Regarding Safety Improvements

In 2009, MSPAC requested funding for safety and maintenance upgrades to improve operations. MSPAC requested funds for copilots, paramedics, and equipment to ensure compliance with the Commission for the Accreditation of Medical Transport Systems (CAMTS) and Federal Aviation Administration (FAA) Part 135 regulations.

Safety Equipment

The fiscal 2010 working appropriation includes \$546,000 in funding for the procurement of new safety equipment (*e.g.*, night vision imaging systems, terrain awareness warning systems, and a flight simulator). While the department has purchased most of the safety equipment, MSPAC has been unable to procure a flight simulator. To date, the department has issued three requests for proposal (RFP) to obtain a flight simulator. MSPAC reports that it has been unable to make an award as the bids have been unfavorable. **MSPAC should comment on how it will proceed in the event that the current RFP also yields an unfavorable result. MSPAC should also comment on whether fiscal 2011 operating savings, due to the purchase of the simulator, are likely, given the results of the three previous RFPs.**

Part 135 Certification

Because Maryland does not charge its patients for Medevac services, MSPAC currently operates under Part 91 of the FAA General Aviation requirements. In general, Part 135 regulations¹ are more restrictive than that of Part 91 in a series of areas such as weather minimums, helicopter maintenance, and documentation requirements. In 2009, MSPAC received approval from the EMS Board to make the changes necessary to be in compliance with Part 135. Since that time, MSPAC has been actively pursuing certification and estimates that it will cost a total of \$415,000 in one-time costs and \$645,000 in ongoing costs. MSPAC anticipates obtaining Part 135 certification by December 2010.

Commission for the Accreditation of Medical Transport Systems

Following the fatal helicopter accident, amidst allegations of possible Medevac overusage, new protocols were implemented to determine whether an injured patient is airlifted to a trauma center. MIEMSS convened a helicopter panel in November 2008, to evaluate the recent changes to the State's Medevac protocols. Recommendations issued by the panel indicate that MSPAC should take the necessary steps to achieve CAMTS accreditation. CAMTS is dedicated to improving the quality of patient care and the safety of the transport services for rotor wing, fixed wing, and ground transportation systems. 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 two medical crew members per flight. Currently, MSPAC operates with only one medical care provider per flight.

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

While the EMS Board favors adding a second medical provider to Medevac flights, the EMS Board has reserved judgment on the issue of seeking CAMTS accreditation in light of concerns regarding the solvency of the Maryland Emergency Medical System Operations Fund (MEMSOF).

Medevac Copilots

MSPAC has also requested funding to begin the initial hiring of Medevac copilots. MSPAC reports that hiring an additional pilot will substantially increase the safety of each Medevac flight. The request to add an additional pilot to each flight is still under review by the EMS Board. It is estimated that it will cost an additional \$2.3 million to hire 30 copilots over the course of the next three fiscal years.

MSPAC should update the committees on the status of obtaining the aforementioned safety enhancements.

2. Speed Cameras

Chapter 500 of 2009 extended the authorization for use of speed monitoring systems in school zones (statewide) by local law enforcement. Chapter 500 also authorized the use of work zone speed control systems. Under both provisions, applicable law enforcement agencies are authorized to issue violations or warnings for speeding at least 12 miles per hour above the posted speed limit.

According to DSP, the State Highway Administration (SHA) has taken the lead on establishing speed control systems in highway work areas. SHA has entered into a short-term contract with a vendor to deploy two mobile enforcement vehicles at specified locations. Under the current contract, the vendor performs the majority of the work, including photographing violators, transmitting the data to the appropriate law enforcement unit for verification, and issuing the final citation. Pursuant to Chapter 500, all citations have to be verified by DSP or the Maryland Transportation Authority (MDTA) Police. Currently, DSP has two troopers and a supervisor assigned to the program.

SHA reports that over 11,000 citations have been issued since the initial warning period ceased in November 2009.

Formal Plan for Operating Speed Camera Systems

As previously discussed, SHA entered into a short-term contract with a vendor, which expires in June 2010. In November 2009, a RFP was issued to select a long-term vendor. SHA is in the process of reviewing proposals, and it is anticipated that an award will be made in the coming months. The contract is expected to include up to five speed camera vehicles, a two-year base contract period, and three one-year extension options.

Discussions with the Department of Budget and Management (DBM) have indicated that the Administration has included 10 new positions in the allowance to avert the need to enter into a costly vendor contract agreement – the State pays over \$100,000 a month under the current contract. Nonetheless, the current RFP is still being pursued by SHA and DSP. It is apparent to DLS that these two contradictory alternatives should not be pursued at the same time. **Therefore, DLS recommends budget bill language that prohibits SHA, DSP, or MDTA from entering into a vendor agreement for speed camera operations. DLS also recommends budget bill language that restricts \$500,000 in funding until DSP, SHA, DBM, and MDTA submit a formalized plan that includes the following:**

- **a draft memorandum of understanding between the parties, including the duties and responsibilities of each agency participating in the program;**
- **the anticipated annual costs of the program, including the costs associated with DSP and MDTA personnel and equipment expenditures; and**
- **the number of mobile enforcement vehicles to be operated statewide.**

Speed Monitoring Systems Funding

The fiscal 2011 allowance includes 10 new positions and \$7.0 million in special funds associated with the speed monitoring program. Of this amount, \$6.3 million, or 89%, of this funding constitutes supplemental funding for roadside enforcement activities. Chapter 500 directs the Comptroller to distribute revenues collected through the use of a work zone speed control system to a special fund to cover the costs of implementing and administering work zone speed cameras. Under the law, the balance of speed monitoring revenues is to be distributed to DSP to fund “roadside enforcement activities” through October 2012. **In light of the current fiscal environment, including the fact that \$6.3 million in special funds constitutes “supplemental funding” for turnover relief and roadside assistance, DLS recommends budget bill language that requires DSP to offset speed monitoring revenues in excess of \$5.0 million with a general fund reversion.**

3. Audit Findings Raise Concern about DSP’s Ability to Manage Funds as an Independent Entity

Chapter 165 of 1994 established DSP as a principal unit of the executive department. Prior to 1994, DSP had been part of the Department of Public Safety and Correctional Services (DPSCS) for over 20 years. Legislation adopted during the 1997 legislative session transferred the Office of the State Fire Marshal, State Fire Prevention Commission, Explosive Advisory Council, and the Vehicle Theft Prevention Council from DPSCS to DSP (see Chapters 352 and 434 of 2007).

Subsequent to being established as a principal unit of government, there have been numerous audit findings by the Office of Legislative Audits (OLA) that have raised concern about DSP’s ability to manage funds. Several of OLA’s audit findings include the following:

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- ***April 1995 Fiscal Compliance Audit:*** OLA reported 10 findings (4 repeat), of which 8 findings pertained to fiscal operations.
- ***Fiscal 1997 Closeout Audit:*** OLA reported \$1.6 million in unsubstantiated special fund revenue.
- ***January 1998 Fiscal Compliance Audit:*** OLA reported 15 findings (6 repeat), of which 8 findings pertained to fiscal operations (5 repeat).
- ***March 2001 Fiscal Compliance Audit:*** OLA reported 16 findings (4 repeat), of which 9 findings pertained to fiscal operations (3 repeat).
- ***June 2004 Fiscal Compliance Audit:*** DSP received an unsatisfactory rating. There were 28 findings (14 repeat), of which 12 pertained to fiscal operations (7 repeat).
- ***Fiscal 2006 Closeout Audit:*** OLA reported \$1.2 million in unsubstantiated reimbursable fund revenue and a \$5.6 million special fund deficit balance due to double booking revenue.
- ***February 2007 Fiscal Compliance Audit:*** OLA reported 20 findings (10 repeat), of which 7 findings pertained to fiscal operations (4 repeat).
- ***Fiscal 2007 Closeout Audit:*** OLA reported \$0.6 million in unsubstantiated special fund revenue and \$1.3 million in unprovided for payables.
- ***Fiscal 2008 Closeout Audit:*** OLA reported \$0.8 million in unsubstantiated special fund revenue and that DSP failed to revert \$0.6 million in general funds, but instead improperly encumbered these funds to address special fund receivable deficits.
- ***Fiscal 2009 Closeout Audit:*** OLA reported \$2.6 million in unsubstantiated special fund revenue and that DSP failed to revert \$2.4 million in general funds, but instead improperly encumbered these funds to address special fund receivable deficits.
- ***January 2010 Compliance Audit:*** OLA reported 14 findings (5 repeat), of which 6 findings pertained to fiscal operations (2 repeat).

In light of the growing number of audit findings that have raised concern about DSP's ability to manage funds properly, and in an effort to provide better oversight, DLS recommends that the budget committees consider reestablishing DSP as a unit within DPSCS.

4. Public Safety Education and Training Center Food Services Contract

In August 2009, BPW approved an emergency procurement contract for food services at the Public Safety Education and Training Center (PSETC). According to the BPW item, approximately one month after renewal of the contract with Black Tie Catering, the vendor refused to appear at the PSETC to provide food service. Currently, DSP is the primary user of the cafeteria as trooper candidates are provided with three meals per day during residency training. Under the previous contract, DSP paid \$15 per day for each candidate's meal. The current contract requires DSP to pay an increased price of \$27 per day for candidates' meals. The new contract is fully funded using DSP general funds. According to DSP, both the fiscal 2010 working appropriation and the fiscal 2011 allowance include \$200,000 for food services at PSETC. **The department should comment on whether sufficient funding has been budgeted to cover food services in light of the recent increase in price.**

Recommended Actions

1. Add the following language:

Provided that a reduction of \$44,284 is made for cell phone expenditures (Comptroller subobject 0306). This reduction shall be allocated among the divisions according to the following fund types:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$24,309</u>
<u>Special</u>	<u>\$19,975</u>

Explanation: This action reduces the Department of State Police’s fiscal 2011 allowance for cell phone expenditures. The total reduction should be split as indicated above among general and special funds.

2. Add the following language:

Further provided that a reduction of \$179,340 is made for printing and duplication expenses (Comptroller subobject 0804). This reduction shall be allocated among the divisions according to the following fund types:

<u>Fund</u>	<u>Amount</u>
<u>General</u>	<u>\$148,201</u>
<u>Special</u>	<u>\$31,139</u>

Explanation: This action reduces the Department of State Police’s fiscal 2011 allowance for printing and duplication expenditures. The total reduction should be split as indicated above among general and special funds.

3. Add the following language:

Provided that it is the intent of the General Assembly that for any special funds earned in excess of \$5,000,000 for speed monitoring revenues, the Department of State Police should revert an equivalent dollar amount in general funds at the end of fiscal 2011.

Explanation: This action expresses the intent that the Department of State Police offset speed monitoring revenues earned in excess of \$5 million with a general fund reversion of an equivalent dollar amount at the close of fiscal 2011.

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

. provided that \$1,000,000 of this appropriation made for the purpose of providing police protection grants may not be expended until the Department of State Police (DSP) submits the Crime in Maryland, 2009 Uniform Crime Report (UCR) to the budget committees. The budget committees shall have 45 days to review and comment following receipt of the report.

Furthermore, if DSP encounters difficulty in obtaining the necessary crime data on a timely basis from local jurisdictions who provide this data for inclusion in the UCR, DSP shall request that the Governor’s Office of Crime Control and Prevention withhold a portion, totaling no more than 50%, of that jurisdiction’s State Aid for Police Protection grant for fiscal 2011 until such time that the jurisdiction submits its crime data to DSP.

Explanation: This 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 2009 *Uniform Crime Report*. The language also permits the Governor’s Office of Crime Control and Prevention to withhold a portion of the State Aid to Police Protection grant until certain crime data is submitted.

Information Request	Author	Due Date
2009 Uniform Crime Report	DSP	45 days prior to the expenditure of funds

- | | <u>Amount Reduction</u> | |
|--|--------------------------------|----|
| 5. Reduce special funds for turnover expectancy to better reflect historical turnover rate of approximately 5.5%. This reduction shall be allocated to speed monitoring system revenues. | \$ 1,964,172 | SF |
| 6. Adopt the following narrative: | | |

Helicopter Maintenance Study: The 2009 *Joint Chairmen’s Report* directed the Department of State Police (DSP) to conduct a review of all helicopter maintenance options and to submit a report to the budget committees by October 2009. In order to respond to the committee narrative, DSP plans to develop a maintenance request for proposals (RFP) and to solicit bids for maintaining the fleet. Upon receipt of the proposals, DSP plans to compare the cost of maintaining the fleet internally to that of commercial providers. However, issuing an RFP prior to the procurement award for the new Medevac fleet would be premature as certain pertinent information (*e.g.*, the make and model of the new aircraft) would be unavailable for inclusion in the maintenance RFP. Such information is vital when

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determining the maintenance requirements and costs of the fleet. In light of the ongoing Medevac procurement, the budget committees request that the helicopter maintenance study be submitted on October 1, 2010.

Information Request	Author	Due Date
Submission of a study on helicopter maintenance	DSP	October 1, 2010

- | | <u>Amount Reduction</u> |
|--|--------------------------------|
| 7. Delete funding to purchase a replacement vehicle. The vehicle is projected to have less than 100,000 miles at the time of replacement. If adopted, this action will appropriate \$269,290 for the purchase of 13 vehicles in fiscal 2011. | 22,290 SF |
| 8. Add the following section: | |

SECTION XX. AND BE IT FURTHER ENACTED, That the Department of State Police (DSP) may not expend \$500,000 of the appropriation made for new positions associated with speed camera operations until DSP, the Department of Budget and Management, the Maryland State Highway Administration (SHA), and the Maryland Transportation Authority (MDTA) submit a joint report to the budget committees outlining the long-term plan for speed camera operations in the State of Maryland. At a minimum, the report shall include a formalized plan outlining:

- (1) the duties and responsibilities of each agency participating in the program, including a draft copy of a signed memorandum of understanding between the parties;
- (2) the number of law enforcement positions (DSP and MDTA) needed to successfully operate the program, including a spending plan that is not based on employee overtime;
- (2) the estimated annual costs of the program, including personnel and equipment expenditures (by agency); and
- (3) the number of mobile enforcement vehicles to be operated statewide.

Further provided that SHA, DSP, or MDTA are prohibited from entering into a vendor agreement for speed camera operations, nor may any funding be expended for any vendor agreement entered into on behalf of speed camera operations during fiscal 2011. Further

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provided that the prohibition on entering into a vendor agreement also applies to any arrangement under which a vendor retains revenue from which it deducts operating expenses and remits revenues to the State.

The budget committees shall have 45 days from the receipt of the report to review and comment.

Explanation: Chapter 500 of 2009 authorized the use of work zone speed monitoring systems. This action restricts a portion of the funding approved in the fiscal 2011 legislative appropriation until the Department of State Police (DSP), the Department of Budget and Management (DBM), Maryland State Highway Administration (SHA), and the Maryland Transportation Authority (MDTA) submit a joint report outlining the long-term plan for speed camera operations. The language also prohibits the parties from entering into a vendor agreement for speed camera operations.

Information Request	Authors	Due Date
Submission of a long-term plan for speed camera operations	DSP DBM SHA MDTA	45 days prior to expending funds for new positions

Total Special Fund Reductions **\$ 1,986,462**

Updates

1. National Transportation Safety Board Findings

In October 2009, the National Transportation Safety Board (NTSB) testified before the House EMS Systems Workgroup about its findings regarding the 2008 helicopter accident involving Trooper 2. NTSB determined that the probable cause of the accident was the pilot's attempt to regain visual conditions by performing a rapid descent and the failure to arrest the descent at the minimum descent altitude during a nonprecision approach. Contributing to the accident were other factors such as (1) the pilot's limited recent instrument flight experience; (2) the lack of adherence to effective risk management procedures by DSP; (3) an inadequate assessment of the weather, which led to the decision to accept the flight; (4) the failure of the Potomac Consolidated Terminal Radar Approach Control (PCTRAC) controller to provide the current Andrews Air Force Base weather observation to the pilot; and (5) the increased workload on the pilot due to inadequate federal aviation air traffic control handling by Ronald Reagan Washington National Airport Tower and PCTRAC controllers.

As part of its findings, NTSB also made several recommendations to FAA, MSPAC, Prince George's County, and various emergency services organizations. **Exhibit 7** provides a summary of the NTSB's recommendations, including MSPAC's progress in addressing these recommendations.

Exhibit 7 National Transportation Safety Board Recommendations October 2009

NTSB Recommendation	MSPAC Response
Require all Emergency Medical Services operators to comply with 14 Code of Federal Regulations Part 135 operations specifications during flights with medical personnel onboard.	Maryland State Police Aviation Command (MSPAC) is currently in the process of obtaining Part 135 certification. It is estimated that the Part 135 certification process will be concluded by December 2010.
Require all EMS operators to develop and implement flight risk evaluation programs.	MSPAC has developed a computerized flight risk evaluation program that establishes procedures for systematic evaluation of flights, including a required consultation with an EMS flight operator when the flight risk reaches a pre-defined level.
Require EMS operators to use formalized dispatch and flight procedures that include up-to-date weather information and assistance in flight risk assessment decisions.	The Systems Communications Center (SYSCOM) serves as MSPAC's dispatch and flight tracking center. All Department of State Police duty officers assigned to SYSCOM have been certified as flight communicators.

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NTSB Recommendation	MSPAC Response
Require EMS operators to install terrain awareness and warning systems on their aircraft and to provide adequate training to ensure that flight crews are capable of using the systems to safely conduct EMS operations.	MSPAC is currently in the process of procuring up to 12 additional helicopters. Requirement specifications for the new helicopters mandate that they must be equipped with terrain awareness and warning systems. MSPAC recently purchased and outfitted the existing fleet with new portable terrain awareness and warning systems.
Conduct scenario-based training, including the use of simulators and flight training devices for helicopter emergency medical services (HEMS) pilots. Pilot training should also include flight instrument training under meteorological conditions and hazards unique to HEMS operations.	MSPAC is currently in the process of procuring a new flight simulator. The simulator will be used to conduct scenario-based training, including flight instrument training. MSPAC has also modified its current pilot training program to include scenario based training.
Implement a safety management system program that includes sound risk management practices.	MSPAC has a safety management system that includes formalized dispatch and flight-following procedures, voluntarily compliance with Part 135 weather minimums, and a flight risk evaluation program.
Install flight data recording devices and establish a structured flight data monitoring program that incorporates routine reviews of all available sources of information to identify deviations from established norms and procedures and other potential safety issues.	Requirement specifications for the purchase of the new fleet mandate that each helicopter be equipped with a flight data recording device and cockpit video recording device.
Install and require that pilots use night vision imaging systems for visual flight rules operations at night.	Requirement specifications for the new fleet mandate that the helicopters be equipped with night vision imaging systems. MSPAC recently purchased night vision goggles to be used by flight paramedics in an effort to assist pilots with identifying hazards. MSPAC is also in the process of procuring night vision imaging filtering systems for several of the existing helicopters. These systems will enable the pilots to utilize the night vision goggles and identify hazards.
Equip helicopters that are used in EMS transportation with autopilots and train pilots on how to use the autopilot if a second pilot is unavailable.	All of the MSPAC's helicopters are currently equipped with an autopilot feature. Additionally, all of MSPAC's pilots are trained and proficient in using the autopilot feature. Requirement specifications for the procurement of the new fleet mandate that each Medevac be equipped with an autopilot feature. MSPAC has also testified before the EMS Board in support of adding a copilot to each flight as a safety precaution.

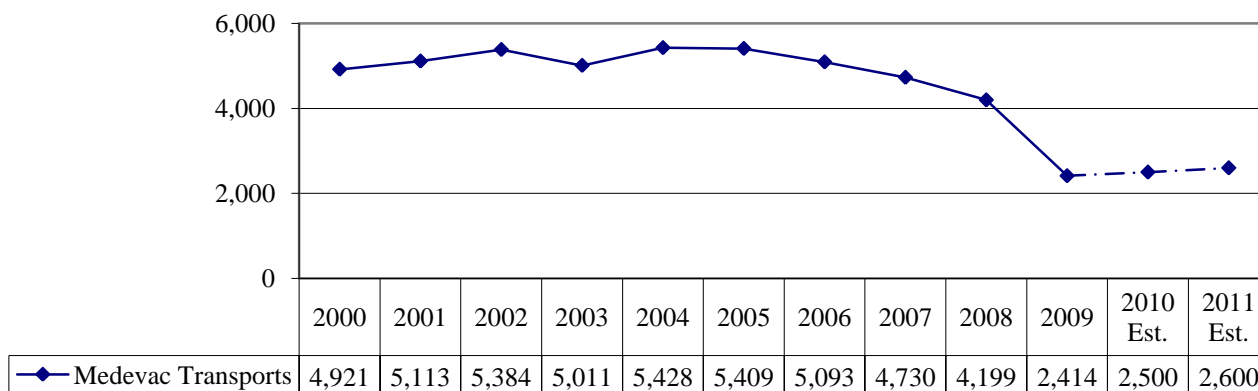
NTSB Recommendation	MSPAC Response
Implement a program to screen, and if necessary, treat pilots for obstructive sleep apnea.	This recommendation is endorsed by MSPAC and is currently under review.
Revise the existing policy regarding incident commanders to specify that in any event involving a missing or overdue aircraft, an MSPAC trooper will serve as the incident commander.	This recommendation is endorsed by MSPAC and is currently under review.
Provide additional dispatch training on the use of cell phone ‘pinging’ and include instructions on how to integrate the data obtained from cell phone pinging into an overall search and rescue plan.	This recommendation is endorsed by MSPAC and is currently under review.

Source: National Transportation Safety Board; Department of State Police

2. New Medevac Protocols

Following the fatal helicopter accident, new protocols were implemented to determine whether an injured patient is airlifted to a trauma center. Under the new guidelines, Medevac requests for trauma patients with seemingly noncritical injuries now require a medical consultation with a trauma center prior to dispatching a helicopter. Previously, this decision was made by paramedics without doctor input. In the year following the protocol change, there has been a marked reduction in helicopter scene transport. As shown in **Exhibit 8**, the number of Medevac flights decreased by 43% in fiscal 2009 as compared to fiscal 2008.

Exhibit 8
Medevac Transports
Fiscal 2000-2011



Source: Maryland Institute for Emergency Medical Services Systems

3. Department of Natural Resources Missions

The fiscal 2010 budget deleted funding and related positions for the DNR Aviation Division as this responsibility was assumed by MSPAC. Pursuant to MSPAC's memorandum of understanding with DNR, MSPAC is responsible for providing support services to DNR in the form of aerial search and rescue and law enforcement. MSPAC reports that it has made every attempt to accommodate DNR with its preplanned missions; however, MSPAC's ability to accommodate DNR is often limited by the age of the current fleet. MSPAC reports that the recent assignment of a new fixed wing pilot to the command will increase overall availability. MSPAC conducted 35 preplanned law enforcement missions on behalf of DNR between April and December 2009.

4. Silver Alert Program

Chapter 503 of 2009 established a statewide Silver Alert Program within the department. The program is designed to provide a system for rapid dissemination of information to assist in locating missing persons. According to DSP, the following criteria must be met in order to issue an alert:

- the missing person must suffer from a cognitive impairment (*e.g.*, Alzheimer's disease);
- a credible threat to the missing person's health and safety must exist;
- the missing person must be traveling by vehicle;
- a local or regional media alert was issued by the investigating agency; and
- the missing person was entered into the National Crime Information Center.

According to the department, once a law enforcement agency confirms the aforementioned criteria have been met, DSP prepares an alert to be used by MEMA via the Emergency Alert System. SHA is also contacted so that an alert may be broadcasted over the highway advisory radio and displayed on overhead highway signs.

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 2009					
Legislative Appropriation	\$187,794	\$69,620	\$3,069	\$4,319	\$264,802
Deficiency Appropriation	3,232	499	7,595	0	11,326
Budget Amendments	4,091	2,493	0	2,110	8,694
Cost Containment	-14,656	-302	0	0	-14,958
Reversions and Cancellations	-1,690	-10,503	-7,138	-4,211	-23,542
Actual Expenditures	\$178,771	\$61,807	\$3,526	\$2,218	\$246,322
Fiscal 2010					
Legislative Appropriation	\$170,234	\$74,862	\$34,255	\$9,859	\$289,210
Cost Containment	-6,197	-1,412	0	0	-7,609
Budget Amendments	0	438	109	19	566
Working Appropriation	\$164,037	\$73,888	\$34,364	\$9,878	\$282,167

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

Fiscal 2009

In fiscal 2009, the total budget for the department decreased by approximately \$18.5 million. The general fund appropriation decreased by a net \$9.0 million due to a \$7.3 million increase in funding and a \$14.7 million reduction in expenditures due to cost containment actions taken by BPW.

The general fund appropriation increased by \$7.3 million due to the following:

- a \$3.2 million deficiency appropriation to fund a variety of personnel and operating expenses, including funding for a new trooper class and related equipment, electricity, gasoline, and overtime expenditures;
- a \$2.5 million cost-of-living adjustment (COLA) that was centrally budgeted in DBM;
- a realignment of statewide expenses to the department for union negotiated items, including a clothing allowance and shift differential (\$688,000);
- an annual salary review (ASR) increase for the deputy fire marshal, aviation mechanics, police communications operators, civilian pilots, engineers, and scientists (\$664,000);
- a realignment of health insurance expenditures to the department (\$227,000); and
- an increase in telecommunications expenditures due to a realignment of statewide communications expenses (\$46,000).

The general fund appropriation decreased by \$14.7 million due to the following:

- across-the-board reductions in health insurance, Other Post Employment Benefits, telecommunications, travel, and energy performance contract expenditures (\$5.1 million);
- a hiring freeze for civilian and sworn officer positions (\$4.8 million);
- a reduction in general funds due to the anticipation of additional special fund revenues for indirect cost recoveries (\$2.0 million);
- the abolition of 43 vacant civilian, sworn officer, and fire marshal positions (\$1.2 million);
- employee furloughs (\$406,000);
- an increase in the employee turnover rate within the Fire Prevention Services Program (\$404,000);

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- a reduction in computer equipment due to the delay in purchasing replacement lap top computers for police vehicles (\$396,000); and
- a reduction in funding for new motor vehicles (\$351,000).

Additionally, there was a general fund reversion of approximately \$1.7 million. The reversion was primarily due to unexpended funds for supplies and motor vehicles.

The special fund appropriation increased by a net \$3.0 million due to the following:

- the receipt of indirect recovery cost revenue from MDOT for licensing and inspection services performed by DSP's Automotive Safety and Commercial Vehicle Enforcement divisions (\$1.5 million);
- a COLA (\$738,000);
- a deficiency appropriation for aviation safety equipment (\$499,000);
- an ASR increase for aviation mechanics, police communications operators, and civilian pilots (\$218,000); and
- a reduction in overtime expenditures due to an accounting error (\$10,000).

The special fund appropriation decreased by approximately \$302,000 due to cost containment actions taken by BPW. Cost savings were achieved by implementing employee furloughs and reducing health insurance expenditures. Additionally, there was a special fund cancellation of \$10.5 million. The cancellation was largely due to an overestimate of special funds for reimbursable overtime costs, as well as funding appropriated to the department's Automotive Safety Enforcement and Commercial Vehicle Enforcement divisions for the licensing of motor vehicle stations and the inspection of commercial vehicles.

The federal fund appropriation increased by approximately \$7.8 million above the fiscal 2009 legislative appropriation due to a number of deficiency items. The department received deficiency funds for new equipment, operating expenses, and a telephone system upgrade. There was also a federal fund cancellation of \$7.1 million primarily due to an overestimate of anticipated funds.

Lastly, the department's reimbursable fund appropriation increased by \$2.1 million mostly due to a grant that was received from the U.S. Department of Homeland Security for interoperability communication equipment. There was also a reimbursable fund cancellation of \$4.2 million primarily due to an overestimate of anticipated income from other State agencies for DSP services.

Fiscal 2010

The budget for the department declined by \$7.0 million. The general fund appropriation decreased by \$6.2 million due to the following cost containment reductions:

- the implementation of employee furloughs (\$2,592,622);
- a reduction in funding for equipment and supplies expenditures (\$1,872,696);
- across-the-board reductions in areas such as electricity, communications, and travel expenditures (\$683,508);
- a reduction in personnel expenditures achieved by holding positions vacant (\$502,353);
- the abolition of 5 positions throughout the department (\$288,611);
- the consolidation of DSP's Investigations Bureau operations into a single facility (\$137,936); and
- a reduction in funds budgeted for print shop operations due to the statewide consolidation of print shop operations under DGS (\$119,855).

The special fund appropriation decreased by a net \$975,169 due to a \$1.4 million reduction in special funds for vehicle theft prevention grants and employee furloughs. This reduction was offset by \$436,800 in additional funding from the MEMSOF to purchase safety equipment.

The federal fund appropriation increased by \$109,200 above the fiscal 2010 legislative appropriation due to the receipt of Asset Forfeiture funds. DSP utilized these fund to purchase safety equipment.

Lastly, DSP received \$18,955 in reimbursable funds from the Department of Health and Mental Hygiene to hire an additional contractual health care fire safety inspector.

Audit Findings

Audit Period for Last Audit:	May 1, 2006 - January 31, 2009
Issue Date:	January 2010
Number of Findings:	14
Number of Repeat Findings:	5
% of Repeat Findings:	36%
Rating: (if applicable)	n/a

- Finding 1:** DSP had not taken sufficient action to resolve longstanding reimbursable and special fund deficit balances.
- Finding 2:** DSP did not perform sufficient quality control review of handgun sales application processing as required by its policy.
- Finding 3:** DSP did not ensure that shell casings were received and entered into the database for all qualifying handguns. DSP also discontinued the use of the Maryland Integrated Ballistic Identification System due to performance issues with the system.
- Finding 4:** DSP did not have adequate procedures to ensure that DNA samples were collected and forwarded to the DSP crime laboratory for all persons convicted of qualifying crimes.
- Finding 5:** **DSP did not process certain procurements and disbursements in accordance with State regulations.**
- Finding 6:** **DSP lacked adequate procedures and controls over collections and related billings.**
- Finding 7:** DSP paid overtime to certain civilian employees in violation of State laws and regulations and a Governor’s executive order.
- Finding 8:** Database, password, account, and program change controls over the electronic citations system were inadequate.
- Finding 9:** Critical devices used to secure the DSP network were not properly administered or monitored.
- Finding 10:** **DSP did not have adequate backup procedures for critical network devices or an adequate disaster recovery plan.**
- Finding 11:** **Reimbursement request for federal funds were not submitted timely.**

Finding 12: DSP did not establish adequate controls over its equipment.

Finding 13: DSP did not conduct unannounced fire safety inspections of day care facilities as permitted by State law.

Finding 14: DSP did not have adequate procedures for the sale of confiscated property.

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

Major Information Technology Projects

Department of State Police Computer Aided Dispatch/Records Management System

Project Description:	The procurement of a new computer aided dispatch and records management system (CAD/RMS). The project will result in the statewide coordination of public safety information sharing and reporting.							
Project Business Goals:	The primary goal of this 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 Cost:	\$26,361,752				New/Ongoing Project:	Ongoing		
Project Start Date:	January 2007			Projected Completion Date:	September 2013			
Schedule Status:	The project is in the initiation/concept development phase. The project has experienced some delays, mostly due to changes in project leadership. A solicitation is currently in progress for a project manager. It is anticipated that a project manager will be on board by the last quarter of fiscal 2010.							
Cost Status:	Cost estimates are based on industry analysis performed by the stakeholder team. Contract award will provide a baseline project budget.							
Scope Status:	Overall preliminary project scope is being defined by the Interoperability Office and Department of State Police. A precise scope definition will be defined upon the arrival of the statewide CAD/RMS project manager.							
Project Management Oversight Status:	A Statewide Interoperability Executive Committee has been established to govern the implementation of the State's interoperability plan.							
Identifiable Risks:	Significant project risks include resource availability and project support.							
Additional Comments:	n/a							
Fiscal Year Funding (000)	Prior Years	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	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	2.9	7.0	9.4	4.4	2.7	0.0	0.0	26.4
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$2.9	\$7.0	\$9.4	\$4.4	\$2.7	\$0.0	\$0.0	\$26.4

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

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	2,440.50	2,415.50	2,425.50	10.00	0.4%
02 Contractual	33.27	32.39	33.39	1.00	3.1%
Total Positions	2473.77	2447.89	2458.89	11.00	0.4%
Objects					
01 Salaries and Wages	\$ 204,043,344	\$ 216,520,923	\$ 243,994,369	\$ 27,473,446	12.7%
02 Technical and Spec. Fees	1,216,296	1,221,286	1,377,344	156,058	12.8%
03 Communication	2,281,640	2,336,125	2,272,999	-63,126	-2.7%
04 Travel	527,307	418,457	132,527	-285,930	-68.3%
06 Fuel and Utilities	3,185,886	3,806,900	3,538,338	-268,562	-7.1%
07 Motor Vehicles	18,157,324	20,386,787	18,010,973	-2,375,814	-11.7%
08 Contractual Services	6,137,336	10,017,752	8,212,710	-1,805,042	-18.0%
09 Supplies and Materials	2,523,927	3,368,804	3,177,769	-191,035	-5.7%
10 Equipment – Replacement	237,070	704,637	391,000	-313,637	-44.5%
11 Equipment – Additional	3,530,811	3,330,607	1,660,000	-1,670,607	-50.2%
12 Grants, Subsidies, and Contributions	3,324,465	19,130,540	4,536,200	-14,594,340	-76.3%
13 Fixed Charges	1,157,782	923,706	1,043,285	119,579	12.9%
Total Objects	\$ 246,323,188	\$ 282,166,524	\$ 288,347,514	\$ 6,180,990	2.2%
Funds					
01 General Fund	\$ 178,771,579	\$ 164,036,908	\$ 179,015,636	\$ 14,978,728	9.1%
03 Special Fund	61,806,609	73,887,234	84,382,020	10,494,786	14.2%
05 Federal Fund	3,526,811	34,364,591	23,005,343	-11,359,248	-33.1%
09 Reimbursable Fund	2,218,189	9,877,791	1,944,515	-7,933,276	-80.3%
Total Funds	\$ 246,323,188	\$ 282,166,524	\$ 288,347,514	\$ 6,180,990	2.2%

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary
Department of State Police**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 Office of the Superintendent	\$ 9,826,034	\$ 8,575,735	\$ 14,816,764	\$ 6,241,029	72.8%
02 Field Operations Bureau	147,802,444	175,119,120	181,881,736	6,762,616	3.9%
03 Homeland Security and Intelligence Bureau	29,640,560	37,371,459	31,794,734	-5,576,725	-14.9%
04 Support Services Bureau	49,659,020	51,993,935	49,151,216	-2,842,719	-5.5%
08 Vehicle Theft Prevention Council	2,473,199	1,625,159	1,992,441	367,282	22.6%
12 Information Technology Communications Bureau	0	0	750,000	750,000	0%
01 Fire Prevention Services	6,921,931	7,481,116	7,960,623	479,507	6.4%
Total Expenditures	\$ 246,323,188	\$ 282,166,524	\$ 288,347,514	\$ 6,180,990	2.2%
General Fund	\$ 178,771,579	\$ 164,036,908	\$ 179,015,636	\$ 14,978,728	9.1%
Special Fund	61,806,609	73,887,234	84,382,020	10,494,786	14.2%
Federal Fund	3,526,811	34,364,591	23,005,343	-11,359,248	-33.1%
Total Appropriations	\$ 244,104,999	\$ 272,288,733	\$ 286,402,999	\$ 14,114,266	5.2%
Reimbursable Fund	\$ 2,218,189	\$ 9,877,791	\$ 1,944,515	-\$ 7,933,276	-80.3%
Total Funds	\$ 246,323,188	\$ 282,166,524	\$ 288,347,514	\$ 6,180,990	2.2%

Note: The fiscal 2010 appropriation does not include deficiencies.