

**Department of State Police Response
FY17 Budget Analysis
House Public Safety and Administration Subcommittee
March 2, 2016**

Issues

New Collective Bargaining Agreement for Sworn Police Officers:

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

Response: The CBA is not fully funded in the Fiscal 2017 allowance, but a portion is within the DBM budget. It is our understanding that DBM is currently calculating amounts and will include the remainder in a supplemental budget and that its omission was an oversight.

Department of State Police Staffing Issues:

The Department of Legislative Services (DLS) recommends the adoption of committee narrative directing DSP to evaluate the current size of the sworn workforce, and DSP and DBM to collaboratively evaluate how to improve hiring policies and practices in order to expedite the filling of vacancies.

Response: See Recommendations

Reopening the Annapolis Barrack:

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

Response: The DSP disagrees with the recommendation by DLS.

DSP has been working with the Departments of General Services and Budget and Management to properly plan for the identification of appropriate funding source(s) for various repairs and renovations concerning the Annapolis Barrack. DSP is working closely with DGS as it proceeds through the progression of restoring the Annapolis Barrack to its full operational status. Building needs, to include, but not limited to, roof, HVAC, and ADA repairs are reviewed and approved by DGS. DSP's original assessment was that the building repairs would exceed \$2 million. At the request of DGS, DSP acquired the services of an engineering firm to assess the building's needs.

An engineering assessment was completed on the barrack and provided to DSP in January 2016. The report identified immediate, short-term and long-term renovation needs. Immediate

renovations concern modern day Fire Code and ADA standards for an estimated cost of \$53,040; Short-Term renovations are identified as more extensive ADA standards and roof structural and surfacing needs in addition to electrical and plumbing repairs for an estimated cost of \$412,680; Long-Term renovations are identified as HVAC, electrical and Energy Code items for an estimated cost of \$241,200. The total cost of all recommended repairs and renovations is \$706,920.

It is anticipated that the majority, if not all of the repairs and renovations will qualify for the Facilities Renewal Fund and as such, DSP disagrees with submitting the repairs as a capital project. DSP plans to incrementally implement the repairs as the Department increases its operational and staffing capacity, which is not expected to be obtained until the end of CY17. Submitting Annapolis Barrack renovations under a CIP will subject the restoration of the operational capability of the Barrack for an unknown period of time, perhaps delaying it for years, such as was experienced with the Cumberland Barrack.

The operational costs, renovations, and currently expended funds fall well short of the financial threshold of the Capital Improvement Plan.

Fiscal 2015 Closeout Audit:

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

Response: With the assistance of the Comptroller's Office, the Department has created separate accounts for each special fund activity to individually track financial transactions, including fund balances. The Office of Personnel Services and Benefits and DBM will assist in moving PINs to the proper fund. Currently, budget personnel are performing quarterly reconciliations to match revenues to expenses and investigate any differences. Additionally, they are examining the fund balances to determine the portion applicable to each special fund activity and the necessary adjustments will be made during the FY2016 closeout. Finally, budget personnel will provide legal justification at closeout for any retained special funds.

The \$1.1 million fiscal 2015 overspending will be absorbed in the current budget.

Recommended Actions

1. Adopt narrative requesting a review of internal and external hiring policies in an effort to expedite the Department of State Police hiring process.

Response: The DSP agrees in part with the recommendation.

The Department of State Police has and continues to work with the Department of Budget and Management (DBM) to expedite and make more efficient internal and external hiring practices. In 2013, working collaboratively with DBM, the DSP launched an on-line employment application process for persons interested in working for the DSP. Regarding sworn positions, the DSP has seen a significant increase in interest in becoming a Maryland State Trooper since

the implementation of the on-line application. Unfortunately, the interest has not resulted in an increase in either a qualified or diverse applicant pool. In an effort to take advantage of the benefits afforded by an automated application process, the Department, working with DBM, has competitively bid and selected a professional media contractor to provide a wide range of advertising, marketing, and communications services in the form of a media campaign focused on densely populated ethnically diverse areas of the state, to include municipalities and townships, which the DSP primarily serves. The award is scheduled to be presented to the Board of Public Works in April of 2016. In addition to on-line applications, the Department has taken full advantage of GovDelivery, the only digital communications platform exclusively for government, to maintain communication with applicants and potential applicants.

The DSP currently ranks 5th out of the 7 Mid-Atlantic state police agencies in its starting salary after graduation from the academy. Additionally, our \$46,000 salary is below the \$48,000 average salary of a Maryland police officer as recorded by the Maryland Association of Counties FY2016 county employee salary survey. The challenge for the DSP in hiring potential troopers from the central regions generally, but Prince George's County and Baltimore City specifically, remains the secondary law enforcement role the State Police play in those jurisdictions coupled with its salary. The starting salary for Prince Georges County police officers, \$54,827, is approximately seventeen percent higher than the Maryland State Police salary of \$46,000. Baltimore City's starting salary, \$48,971, is approximately six percent higher. Lastly, the DSP is a statewide police force. Potential applicants from metropolitan areas frequently report concern and apprehension regarding the requirement to relocate, potentially to rural areas, and therefore find local or county police departments are more attractive. Regardless, a stated and measured objective for the Department is our recruitment of sufficient trooper applicants, who are qualified and able to complete the high-intensity entry-level DSP training program.

Finally, the Department regularly consults with DBM on a number of employment issues and is willing to evaluate and improve, if necessary, current hiring practices. However, the Department believes any such evaluation, if done correctly would take more than a few months.

If the committee believes a report is necessary, the Department requests the due date be pushed back until July 1, 2017.

2. Adopt narrative directing the Department of State Police to evaluate the current size of the State's sworn workforce.

Response: The Department agrees in part with the recommendation.

The Department of State Police constantly evaluates its workforce as well as the level and quality of law enforcement and regulatory services it provides to the State. The most recent staffing analysis was conducted in April 2013 in preparation for the implementation of the Department's computer aided dispatch and records management programs. The Department agrees that a comprehensive staffing and/or workload analysis would be beneficial yet exceeds the Department's budgetary capacity.

As recently as June 2014, the Department explored the option of outsourcing just such an analysis. The proposal, provided by an exclusive provider of public safety technical services for International City/County Management Association submitted in October 2015, suggested that the comprehensive staffing and workload analysis of a single region consisting of three barracks within Field Operations Bureau would take an estimated 90 to 112 days to complete and cost \$24,500. The overall estimate to complete the staffing analysis of the Department's Field Operations Bureau was projected to cost between \$100,000-125,000.

The current allocation of sworn versus civilian positions has been reviewed in order to determine whether certain duties performed by troopers could be reassigned to civilian positions for a lesser expense. The Office of Legislative Audits has historically conducted these civilianization studies or audits. The last audit, although completed in 2004, remains fundamentally true today. In 2004, the audit disclosed that civilians represented 33% of the Department's workforce. Today that percentage is 32%. In 2004, the performance audit identified 79 administrative and support positions that were filled by sworn employees suitable to civilianization. The fact was then and remains true today that many of these positions are filled with 1st and 2nd line sworn administrator positions within the Support Services Bureau and Licensing Division as well as special funded positions within the Commercial Vehicle Enforcement Division and Automotive Safety Enforcement Division. Should those positions be converted to civilian positions and the troopers redeployed for law enforcement duties, the Department would be required to identify field positions for the higher ranks, revert special fund troopers to the general fund and fill the postings of the vacant positions with civilian administrative or program management classifications. The State would see little if any cost savings as DSP would incur additional salary expenses to hire the administrative civilian manger positions and pay special funded troopers with general fund appropriations.

However, the Department believes any such evaluation, if done correctly would take more than a few months. If the committee believes a report is necessary, the Department requests the due date be pushed back until September 1, 2017.

3. Adopt committee narrative requesting that an appendix continue to be provided in the Maryland Budget Highlights book consolidating budgetary resources that the Maryland Coordination and Analysis Center receives from State agency appropriations.

Response: The Department concurs with the recommendation.

4. Add budget bill language restricting \$1,000,000 of the general fund appropriation until the Department of State Police submits the 2015 Uniform Crime Report.

Response: The Department concurs with the recommendation

Aviation Command

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

Response: The building contract specifies that the building must be substantially completed to coincide with the delivery of the FTD in July 2016. It is believed that building completion and finishing can be accomplished concurrently with the installation of the FTD.

Delays in the implementation of full use of the FTD generally will result in the need for continued outsourcing of recurrent training for Aviation Command pilots. This outsourcing cost averages \$90,000 per month. However, pilot recurrency events occur on a calendar year basis. The Command would continue to use original procurement simulator hours, and/or schedule outsourced recurrencies in a manner to reduce the financial impact until the MSP FTD is fully operational.

Audit Findings Update

Finding 1: DSP did not properly account for certain special fund activity.

With the assistance of the Comptroller's Office, the Department has created separate accounts for each special fund activity to individually track financial transactions, including fund balances. The Office of Personnel Service and DBM will assist in moving PINs to the proper fund. Currently, Budget personnel are performing quarterly reconciliations to match revenues to expenses and investigate any differences. Additionally, they are examining the fund balances to determine the portion applicable to each special fund activity and the necessary adjustments will be made during the FY2016 closeout. Finally, Budget personnel will provide legal justification at closeout for any retained special funds.

Finding 2: DSP lacked adequate controls over special fund collections and accounts receivable.

Effective in July 2015, all checks received in the Finance Division are immediately recorded and restrictively endorsed upon receipt. Recordation and endorsement occurs the same day of the receipt. An employee independent of the cash receipts process performs deposit verification functions.

Finance has also established an accounts receivable worksheet to record each vendor's name, Z number, amount to be billed, and the corresponding invoiced amount billed at each payroll period ending. The amounts invoiced will be reconciled to the overtime payroll totals. Any discrepancies are resolved.

Finding 3: Certain year-end closing transactions were not adequately supported and reporting discrepancies were noted.

With the assistance of the Comptroller's Office, the Department has created separate accounts for each special fund activity to individually track financial transactions, including fund balances. The Office of Personnel Service and DBM will assist in moving PINs to the proper fund. Currently, Budget personnel are performing quarterly reconciliations to match revenues to expenses and investigate any differences. Additionally, they are examining the current fund

balances to determine the portion applicable to each special fund activity; the necessary adjustments will be made during the FY2016 closeout. Finally, Budget personnel will provide legal justification at closeout for any retained special funds.

Findings 4 and 5: DSP did not include or could not support approximate quantities of services in certain solicitations. Procedural and documentation deficiencies were noted regarding the evaluation of vendor bids for certain service contracts.

The Procurement Review Group meets as necessary to review solicitations over \$25,000 as they proceed through the administrative procurement process to discuss specifications and solicitation terms and conditions. The Procurement Director will ensure that the solicitation meets all of the criteria needed to ensure that vendors fully understand what DSP needs are.

Training is continuous and ongoing within the DSP Procurement Unit during weekly procurement meetings. Topics of discussion include different procurement strategies and new/current regulations such as:

- How to ensure MBE, SBR, and military veteran business owners are contacted to ensure that they are included in the procurement process
- Invitation for Proposal Solicitation (IFP) procedures
- Invitation for bid (IFB) procedures
- eMM (eMaryland Marketplace) solicitations, creating a solicitation and posting awards
- Code of MD Regulations (COMAR)

DSP procurement staff are instructed to review the Department's stakeholder evaluator's submissions to ensure that they have followed all the instructions prior to reviewing IFPs. In addition, the evaluators are now required to sign each evaluation sheet after completion to ensure that they (the evaluators) fully understand the specific instructions directly related to the solicitation being evaluated.

All procurement documentation pertaining to the solicitation will be filed in one file and held until such time that the file can be disposed of as per State of MD regulations for file retention. (3 years for a PO and if a contract, then an additional 3 years beyond the term of the contract)

Finding 6: DSP's procedures for processing handgun qualification licenses and handgun registration applications lacked certain controls.

During the 2013 Legislative Session, the Maryland General Assembly passed the Firearms Safety Act of 2013. This legislation, effective October 1, 2013, changed many aspects of gun licensing and regulation in Maryland. One such aspect is the required automation of Maryland's regulated firearm purchase and transaction process. To that end, the Department of State Police (DSP) does not require a dealer to make and submit a paper copy of an HQL for applicable applications to purchase a regulated firearm. Instead, the DSP ensures the validity of the HQL internally by crosschecking the HQL number against the HQL issuing database, MyLicense. The Department has drafted corrective legislation that seeks to repeal the requirement of paper

submission within the current law that requires automation. House Bill 184, Public Safety – Firearm Application, is under consideration in the House Judiciary to resolve the conflict.

Finding 7: Quality control procedures were not comprehensive. (Licensing Division)

A fundamental reason for the passage of the 2013 Firearms Safety Act and the subsequent automation of Maryland’s regulated firearm purchase was to improve data quality. DSP agrees that a paper based business process that relies on the handwritten transmission of information such as names, firearm serial numbers, and dates of birth that supports on average 50,000 regulated handgun transactions annually is subject to illegibility and data entry errors on all sides; applicant, dealer and DSP processing employees. Full automation will significantly minimize the data discrepancies and the DSP has enhanced existing procedures and controls to continue to ensure accurate data are recorded in ISAB&L and MAFSS, and investigate and correct questionable data.

To that end, Licensing Division has reviewed all 4,271 discrepancies in which auditors determined that regulated firearm serial numbers entered in the Department’s Information Sharing for Applicant Background and Licensing (ISAB&L) database did not match/reconcile with regulated firearm serial numbers entered in the State’s master record, the Maryland Automated Firearms Services System (MAFSS). All discrepancies have been corrected and accounted for in both databases.

Until such time as the 77Re is implemented in the summer of 2016, the Department will continue to conduct quarterly quality control audits of ISAB&L and MAFSS entries to identify and reconcile inconsistencies within the serial numbers fields or each database.

Finding 8: Controls over handgun registration application fees and related accounts receivable records were not sufficient.

DSP requires that collections are recorded and restrictively endorsed upon receipt. DSP incorrectly interpreted “immediately” and therefore failed to require the employee who opened and sorted mail to restrictively endorse collections, instead requiring the employee assigned to record the collection as that employee responsible for the endorsement. The DSP has since updated its standard operating procedures.

DSP has implemented an independent reconciliation of collections recorded in the State’s accounting records using RStars reports compared against payments recorded in the accounts receivable records on ISAB&L.

Based on recommendations made by OLA in April 2015, DSP immediately corrected the three accounts at issue to ensure that employees who have access to cash receipts do not also have access to the related accounts receivable records.

Finding 9: DSP’s network was not properly secured.

DSP has maintained substantial network and device security such as IDPS, firewalls and network monitoring. The State of Maryland’s *Information Security Policy* are guidelines and not

mandates according to the Maryland Department of Information Technology. In order to increase security beyond what currently exists, firewall rules have been reviewed in general and those deemed unnecessary have been removed. The scope of rules has been reviewed and the scope or range of access has been reduced to minimum levels. Rules are now being reviewed periodically to ensure their legitimacy. The new policies and procedures were completed in February of 2016.

The former Intrusion Detection System appliances are no longer in service. DSP has procured a new IPDS product and it is in operation on the firewall. This provides protection to both the DSP internal network as well as the DMZ network and corrects the noted issues.

Finding 10: Procedures for maintaining and securing DSP's workstations were not sufficient.

At the time of the audit, 1034 workstations were identified to have the outdated operating system product. As of November 4, 2015, that number is down to approximately 346 desktops and less than 50 laptops (excluding MDTs). Another ~85 will be replaced by the end of the Fiscal Year, and further reductions are funding dependent. DSP agrees as discussed with OLA to continue to replace outdated systems as funding becomes available to do so.

Due to Information Technology staffing cuts and reductions, there are local administrators (IT Techs and other authorized individuals who repair computers) who have local administrative rights to the workstations to effect repairs all over the State, without having to drive to each location to fix a helpdesk ticket. This is also to allow the local admin access to install software updates, printers etc. without having to wait for an ITD technician. This is the most effective and efficient use of these limited personnel while balancing timely repairs and upgrades. This access has been reduced, but cannot be eliminated because of limited staff. This was addressed in a Standard Operating Procedure that was developed and implemented in January 2016.

DSP previously used an older vendor software product to push PC updates once they were approved. The use was stopped when the pushes overwhelmed the old hardware and caused network issues across the board. A current vendor product is now in use.

Finding 11: DSP lacked assurance that adequate security and operational controls existed over its record management system.

DSP has contacted Maryland Department of Information Technology (DoIT) for this finding and corrective action. DoIT is the contract holder/manager for the statewide CAD/RMS and would have to amend the contract to require the reports and get the concurrence of the contractor. DSP has made this request; however, corrective action is outside the control of the DSP.

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

DSP is currently conducting our 2016 capital inventory with an anticipated completion date of March 31, 2016. Once the inventory is completed, we will begin the reconciliation process.

Since the OLA Audit, DSP has made the following changes in our Property Unit to improve efficiencies:

- Conducted training for those units who receive new equipment.
- Added resources to aid in the proper receiving of new equipment.
- Procured additional handheld barcode scanners to improve the inventory process.
- Upgraded our MITS database software and conducted training sessions on the use of the software.
- Began digitizing our process to eliminate paperwork.
- With the assistance of DGS disposed of several thousand items and several hundred vehicles.
- An additional estimated 5,000 items have been identified as surplus and moved to a location for storage pending sale on GovDeals.
- Thousands of items have been identified in MITS that are not actually capital or sensitive items. We are working to remove these items so future inventories may be completed more efficiently.