



FISCAL YEAR 2012 CAPITAL BUDGET

TESTIMONY OF ELLIOT SCHLANGER, SECRETARY

*House Committee on Appropriations
Subcommittee on Public Safety and Administration
The Honorable Galen Clagett, Chair
March 21, 2011*

*Senate Budget and Taxation Committee
Capital Budget Subcommittee
The Honorable James E. DeGrange, Sr., Chair
March 22, 2011*

FISCAL YEAR 2010 ACCOMPLISHMENTS

Constituent/Customer Service & Good Government Citizenship

- Ø A technology infrastructure modernization project was completed at the University of Maryland College Park Data Center. The facility provides a reduced-cost hosting environment that supports the activities of networkMaryland™ and Maryland.gov.

Operational Efficiencies & Cost Savings

- Ø The presence of networkMaryland™ was expanded to include the Frederick County Health Department building and the County Government Complex (including Emergency Operations Center) in St. Mary's County. These actions reduced the State's telecommunication cost by over \$50,000 annually and provided access to greater network capacity.
- Ø A new managed networking service, Virtual Private Routed Network (VPRN), was introduced, giving networkMaryland™ subscribers the ability to build a flexible, private wide-area network using the networkMaryland™ backbone. DoIT was the first agency to implement this technology, and the Maryland State Department of Education is in the process of implementing it in the Division of Rehabilitation Services (DORS).
- Ø At no cost to the State, Memoranda of Understanding (MOU) with Baltimore City, Calvert County and Howard County were completed. Each MOU trades services in-kind, maintaining low operational costs for networkMaryland™. The City agreement represents a \$90,000 value over the initial 10-year term of the MOU; the Calvert County MOU has a value of \$55,000 over the initial 5-year term and the Howard County MOU has a value of \$45,000 over the initial 5-year term.
- Ø Completed a phase of the migration from the legacy ATM protocol to native IP at all of the Multi-Service Centers. This has reduced networkMaryland™ operations costs by \$50,000 per year and allows the network to support initiatives such as iCCTV and Voice over IP (VoIP).

Public Safety & Other Security Considerations

- Ø Public Safety Communications System:
 - § Final Request for Proposal evaluations have been completed and a vendor has been recommended for award for the statewide 700MHz interoperable radio system. The system, as proposed, will become the

primary radio system for State agencies for public safety and public service use. The system will be capable of interoperating on a high level with a majority of existing county radio systems, further enhancing the goal of seamless statewide interoperability for first responders.

§ An additional 8 tower sites and 9 communications shelters are being built and 18 microwave radio systems have been installed to support the future statewide radio system, while simultaneously enhancing coverage and capacity of existing systems.

§ Prince Georges County, in partnership with the State has completed and begun operation of their new county-wide 700MHz radio system. The partnership allows the State and County to operate jointly at almost two dozen sites throughout the County. The Prince Georges County system will be interoperable with the soon to be awarded State system.

§ Baltimore County, in partnership with the State has begun construction of their new County-wide radio system. The partnership allows the state and County to operate jointly at 18 sites throughout Baltimore County. The County system will be interoperable with the soon to be awarded state system.

Ø In conjunction with the Maryland Department of Transportation, DoIT completed a project to efficiently distribute CHART video. This new video distribution allowed hundreds of simultaneous video streams to be distributed during the recent snow emergencies. Additionally, CHART video is available to all networkMaryland™ subscribers across SwGI. This will allow current networkMaryland™ subscribers to receive CHART video without incurring additional telecommunications costs.

PLANS FOR FISCAL YEAR 2011

Public Safety & Other Security Considerations

- Ø Public Safety Communications System
 - § Complete construction of the tower sites funded by the Department of Homeland Security Public Safety Interoperable Communications (PSIC) Grant.
 - § Begin detailed engineering and initial deployment of radio equipment in the 1st region for the Public Safety Communications System, pending the award of the design and implementation contract award.
 - § Assist Baltimore County in the construction and deployment of their new county-wide radio system.

- Ø Implement Internet Protocol trunking across DoIT-operated PBXs using networkMaryland™, reducing telecommunications costs across agencies.

- Ø Offer managed firewall/remote access service as part of the networkMaryland product portfolio, reducing the cost to networkMaryland™ subscribers to manage their data communications networks.

- Ø Complete the migration from ATM to native IP for all State remote offices, further reducing operational costs of networkMaryland™

- Ø Expand the presence of networkMaryland™ to government locations in Cambridge, Elkton, and the Eastern Shore, further reducing State telecommunications costs.

PROGRAM ANALYSIS AND PERFORMANCE

Interoperability Levels and the 700 MHz System

Project Status

In November 2010, the Board of Public Works approved a contract for Phase I of the project. Phase I entails the build-out of a turnkey radio system to replace MDTA's existing system. Despite the board's approval, the project has yet to proceed due to a protest of the initial award of the contract to Motorola, Inc. DoIT reports that on March 9, 2011, the State received notification from the Maryland State Board of Contract Appeals that the complainant withdrew its appeal of the award and that the case has been dismissed with prejudice. Accordingly, the project may now proceed as planned.

DoIT should comment on the projected timeframe for completing Phase I of the project. DoIT should also comment on what impact project delays will have on the State's ability to satisfy the first FCC build-out benchmark, which requires that the State provide "substantial service"¹ to one-third of the population by January 2012.

DoIT response: The contract with Motorola established a project plan for the implementation of Region 1A. The schedule included within the project plan indicates that the system will be operational in December 2012. DoIT believes that in order to meet the requirements of the State's public safety 700MHz license it must demonstrate to the FCC that DoIT is "prepared to provide substantial service" to one-third of the population by January 2012. DoIT feels it can meet the definition of "prepared to provide substantial service" based on: 1) The legislature has approved the project for a statewide radio system; 2) The BPW approved the contract with Motorola for a statewide radio system; 3) The project team will approve the detailed design for the statewide radio system; and 4) DoIT will have full funding for the first phase of the radio system.

Project Funding

The fiscal 2012 budget includes \$10.0 million in general obligation (GO) bond funds to complete the build-out of Region 1A (*i.e.*, Anne Arundel, Baltimore, Cecil, and Harford counties). Of this amount, \$9.8 million will be used to construct and equip (*e.g.*, base stations, transmitters, receivers) Region 1A to meet the initial FCC build-out benchmark, which requires the State to demonstrate that it has provided, or is prepared to provide, "substantial service" to one-third of the population by January 1, 2012. As shown in **Exhibit 3**, the fiscal 2012 request, coupled with a prior year unencumbered balance of \$37.2 million, will make \$47.2 million available in fiscal 2012 to complete the build-out of Region 1A. It should be noted that the current estimate for the total project (\$755.0 million) reflects a \$288.0 million, or 62%, increase above the preceding year's estimate of \$467.0 million. According to DoIT, the original estimate was based on an analysis conducted during the functional requirement gathering process. The current estimate, which is based on the actual contract award, reflects the anticipated funding level required to build out all regions to a public safety interoperability coverage level (*i.e.*, in-building coverage).

DoIT should comment on the increase in project funding.

DoIT Response: In prior years all funding requests were based upon the cost estimates that were created by a consultant during the functional requirements phase of the project. The current project funding request is based upon the actual costs contained within the contract with Motorola. Maryland State Police (MSP) and DoIT believe that there are potential opportunities to partner with operators of existing radio systems that will lower the total cost of deployment of a statewide radio system to the Public Safety level of coverage. Additionally, MSP and DoIT believe that several counties will choose to use this radio system as their primary radio system and will contribute towards the upgrade from Public Service to Public Safety levels of coverage.