

**Maryland Military Department
Testimony**

Fiscal Year 2020 Operating Budget

**Presented to
Senate Health and Human Services (HHS) Subcommittee
February 21, 2019**

**House Public Safety and Administration (PSA) Subcommittee
February 14, 2019**

Introduction:

The Maryland Military Department appreciates this opportunity to update the committee on the activities of the Department and to respond to the issues raised and recommendations contained in the operating budget analysis prepared by the Department of Legislative Services (DLS).

This document contains the following information:

1. Highlights of the Maryland Military Department's key accomplishments of the past year.
2. A discussion of the key issues affecting the Department, as discussed in the analysis prepared by the Department of Legislative Services (DLS).
3. The Department's response to the recommendations of the Department of Legislative Services

Key Accomplishments:

I am pleased to submit to the budget committees our key accomplishments in fiscal year 2018 for the Maryland Military Department. This summary incorporates the accomplishments of the Maryland Army National Guard, the Maryland Air National Guard, the Maryland Emergency Management Agency (MEMA) and the Maryland Defense Force (MDDF).

As members of the Military Department, we are called to serve and protect our communities, our state and the nation. In a time of limited resources, our success depends on making the most of the talent in our organization. We must be inclusive and diverse, maximizing the skills and experience of leaders and members at all levels. We have built a diverse leadership team of which we can all be proud, but we must continue to improve. Everyone in each component must be given the opportunity and encouraged to reach their full potential.

The Maryland National Guard continued to support many overseas contingency operations. Our personnel have served in ongoing operations in Kuwait, Afghanistan, Iraq, Korea, and the Horn of Africa. In 2018, we celebrated the 25th anniversary of our State Partnership Program with Estonia, and the 15th year of our SPP with Bosnia and Herzegovina.

Additionally, personnel from all the pillars of our department supported the state's response to a devastating hurricane season which affected several states this year. We supported the recovery in the Carolinas, Virgin Islands and Puerto Rico.

The Department is a solid contributor to the economic strength of Maryland as our fiscal impact totaled \$307.2 million. The Department's ratio of federal dollars spent for each state dollar invested is nearly 25 to 1. We continue to provide employment and education opportunities to Marylanders while providing our citizens an opportunity to serve our state and our nation.

The Maryland Military Department remains a "relevant and ready" force prepared to serve the needs of our citizens. Thank you for your support, as we continue a new chapter in our long and distinguished history.

Key Issues and Discussion:

- 1. The Military Department should comment on the significant decline in the number of military honor services performed in fiscal 2018, including the role that vacancies have played in the functioning of the unit. Furthermore, the department should discuss the outreach efforts of the Honor Guard to ensure that all veteran's families are aware of the Honor Guard's services and if additional improvement can be made (DLS Analysis page 7):**

Agency Response:

The recent decline in the number of honor services performed in fiscal 2018 is a result of the United States Air Force starting to perform honor services based out of Andrews Air Force base, near Washington DC. With the support of the Air Force, the Department's Managing For Results (MFR) estimates it will perform 3,200 funerals in FY19 & FY20. Although this is a significant reduction from historic trends, the Department will be required to continue using soldiers on federal orders to help augment state staffing and positions.

To help meet honor service requirements; state honor program employees who are members or the MDNG are placed on federal orders with 100% federal funding. In addition, the Department hires state contractual employees to "backfill" the vacancies created by state employees who are placed on orders in support of the honor guard program and/or other federal active duty missions.

Therefore, vacancies do not negatively impact the program's ability to perform honor services and allows the Department to place soldiers on federal orders and utilize the associated cost savings to hire state contractual employees. Lastly, due to our outreach efforts with funeral directors and veteran's organizations, the Department anticipates it will continue to maintain its 100% MFR performance rating; which tracks the number of honor service requests received and performed without complaint.

- 2. The DLS recommends that OOCC, in coordination with MDH submit quarterly reports on spending to address the heroin, opioid, and fentanyl crisis (DLS Analysis page 13):**

Agency Response:

MEMA, the OOCC and MDH concurs with the DLS recommendation to adopt narrative requiring Opioid Crisis Fund (OCF) quarterly reports jointly authored by OOCC and MDH. As indicated in the DLS Analysis, the OOCC in conjunction with MDH has been providing quarterly reports with operational, performance and financial data. Future quarterly reports will be enhanced to specifically include; the upcoming FY20 spending plan for these funds, including the fund source for each line, as well as any changes to the spending plan and any performance metrics that have been gathered by OOCC from programs receiving this funding.

- 3. The Military Department should provide a list of properties planned for divestment along with proposed timeline. The department should also include, in its written response, a discussion of its role in the divestment process and extent to which it has control over the length of time that it takes to divest a property. Additionally, the Military Department should comment on whether it would be beneficial to include preventive maintenance contracts as an assumed part of the estimated expense of opening a new facility. (DLS Analysis page 15):**

Agency Response:

The Military Department's (DMIL) Army Operations and Maintenance Program is responsible for operating and maintaining thirty-one (31) Readiness Centers throughout the State of Maryland. In addition, the organization's facilities portfolio consists of three (3) Army Aviation Facilities, one (1) Airbase, four (4) training sites, and a geographically dispersed grouping of nine (9) maintenance facilities providing repair services to military vehicles, ground equipment, and aircraft. The diverse facilities portfolio consists of 298 buildings with an average age of nearly fifty (50) years situated on 3,921 acres of land. The program's Managing for Results (MFR) goal is to maintain 95 % or more of the facilities in a fully functional status in compliance with National Guard Bureau (NGB) requirements. Although improvements are noted and implemented mitigation strategies will be addressed in the forthcoming narrative, the fully functional status standard has not been achieved due to multiple contributing factors. The most notable contributing factor is the age of the building inventory. Compounding the challenge in attaining the MFR goal is the excessive number of building systems that have exceeded their asset life cycle. Moreover, the fully functional status standard adheres to strict federal Installations Status Report (ISR) criteria. Finally, as with any State of Maryland agency, the organization executes the maintenance and operations mission with resource constrained maintenance staffing levels and limited funding resources to outsource maintenance repairs through the procurement and contracting process.

The Military Department implemented a comprehensive change in facilities portfolio management in 2011 with publication and implementation of the 2011-2036 Facilities' Capital Investment Strategy. The comprehensive strategy communicated the organization's conceptual transition from a wide-ranging county based armory focus to a leaner, more agile, and more capable readiness center inventory. While retaining our mission focus to support the Governor and citizens of Maryland; evolving facilities standards, emerging technologies, increasing stakeholders' expectations, and preeminent financial stewardship necessitated a holistic shift in the organization's strategic facilities portfolio management approach.

The strategic facilities portfolio management approach seeks to balance new military construction projects with current facilities' restoration projects, and sound preventative maintenance procedures to elevate the functional status of all existing facilities. Since 2011, the Military Department has divested of obsolete readiness centers (formerly called armories) in Leonardtown (2011), Chestertown (2012), Crisfield (2013), Prince Frederick (2013), Old Towson (2014), and Old La Plata (2017). The strategy is ongoing with the pending divestitures of Pikesville Military Reservation, Greenbelt, Cascade, Elkton, Catonsville, Ellicott City and Queen Anne all in (or pending) the clearinghouse and divestiture process. The Department works closely with DGS and the Department of Planning to divest of facilities through the clearinghouse process. See attachment #1, with a status of facilities in the clearinghouse process, their current status and estimated timeline of divestiture.

From FY 2015 to FY 2018, the percentage of functional facilities increased from 21% to 26%, far below the MFR goal of 95%. Obtaining the required state matching funds within the Department's operating and capital budgets is critical when leveraging federal funds to build new facilities, renovate existing facilities, and improve the overall percent of facilities in a fully functional status. The current Capital Improvement Plan (CIP) FY2020 - FY2024 has over \$49 million in federal capital funding which will improve our facility rating by replacing older facilities (Ellicott City, Catonsville, White Oak & Cade) with newer fully functional facilities at Havre de Grace, Freedom (Sykesville), Baltimore City (USMCR "swap"), and White Oak.

Concurrent implementation of a comprehensive asset life-cycle management approach to not only manage the overall facilities portfolio of 238 buildings, but also manage each facilities' systems inventory. Such an asset management approach would systemically consider the life cycle of critical facilities infrastructure systems such as roofing, heating (boilers and other systems), HVAC, windows, doors, plumbing, utilities within the building, utilities external of the building, flooring and wall covers, security gate systems, lighting systems, and fire protection. Therefore, the Department will continue to work with DBM and DGS to ensure that preventative maintenance contracts are included within the operating cost section of capital program planning documents for new facilities.

However, the Department's strategy is impacted by anticipation that the amount of federal funding available and the number of projects that will be approved annually will be limited due to the current fiscal climate. In fact, the federal military construction program projects one new military construction project per state at an increment of one every five years. Furthermore, due to the difficult fiscal climate, recent cost containment actions have impacted the Department's ability to eliminate backlog maintenance projects.

Therefore, the Department concurs with the DLS recommendation to regarding spending affordability. In addition, the Department will continue to work with key state and federal stakeholders to obtain the necessary state and federal funds needed to address repair and maintenance backlogs and improve the % of facilities in a fully functional status.

4. MEMA should provide the budget committees with a detailed workload justification for needing 5 FTE's specifically for managing the Maryland School Safety Tip Line and why this work cannot be handled with existing resources. (DLS Analysis page 16):

Agency Response:

The Safe Schools Maryland Tip Line—an important tool and component of the Safe Schools Maryland program—has operated out of MEMA since its launch in October 2018. The program allows students and school community members to anonymously report information to Safe Schools Maryland via a mobile app, online at www.SafeSchoolsMD.org, or by calling 1-833-MD-B-SAFE (1-833-632-7233). Trained technicians respond to reports 24 hours a day, seven days a week, 365 days a year—one of the primary reasons that 5 FTEs are necessary in order to provide adequate staffing to meet this need.

Information is shared with appropriate local school system officials; law enforcement; behavioral health and medical staff; and other partners to help prevent violent or dangerous incidents at schools or provide assistance to students in crisis. The program is available free of charge to school communities statewide and is an optional tool schools can use to make their communities safer.

MJOC Functions: The Maryland Joint Operations Center, where the Safe Schools Maryland Tip Line physically resides, not only monitors statewide weather, traffic, and general safety conditions but also serves as a call center for several partner agencies. Along with meeting the information gathering, analysis, and distribution missions of MEMA, the current staff in the MJOC receive and dispatch calls for the Office of the State Fire Marshal, Maryland Department of Transportation, Maryland Department of the Environment, and the Baltimore City Environmental Police Department. Additionally, MJOC Shift Supervisors serve as our SEOC Commanders during "steady state" operations of the agency.

Tip Processing Agent Functions: Tip Processing Agents (TPA's) are specifically trained for the reception of Safe Schools Maryland tips via the Web, mobile app, and hotline. These tips are anonymous and confidential. These characteristics alone require non-recorded lines, and a different approach. The five TPAs currently under contract with MEMA are assigned to the four rotating shifts in with one serving to supplement staffing during increased call volume times. This is necessary to meet the 24/7/365 need. TPAs have processed hundreds of tips since the line's activation in October 2018. Given the daily demands of the MJOC, they serve as the primary conduit for tip processing.

DLS RECOMMENDED ACTIONS:

1. Adopt the following narrative:

Improving the Functionality of Army National Guard Facilities: It is the intent of the budget committees that the Spending Affordability Committee consider identifying Army National Guard maintenance funding dedicated to improving facility functionality, as identified by the Department's MFR performance measures, as an eligible exclusion from the State's calculation of the spending affordability limit as a means of encouraging additional general fund spending on maintenance in order to better leverage federal resources for the same purpose.

In order to more easily identify these expenditures for exclusion, it is the intent of the budget committees that the Military Department create a separate subprogram for maintenance expenses specifically dedicated to improving the functionality of Army National Guard facilities. (DLS Analysis page 17):

Agency Response:

The Department concurs with the DLS recommendation.

2. Adopt the following narrative:

Opioid Crisis Fund: The budget committees request quarterly reports for fiscal year 2020 on the funding plan for the funds contained in the Opioid Crisis Fund (OCF) from the OOC as well as MDH. These reports are to include the spending plan for these funds, including the fund source for each line item, as well as any changes to the spending plan and any performance metrics that have been gathered by OOC from programs receiving this funding. (DLS Analysis page 17):

Agency Response:

The Department concurs with the DLS recommendation.

Schedule of Military Department Facility Divestitures Since 2011

	Facility	Start Date of Clearinghouse Process	Actual or Estimated Date of Divestiture	Current Status
1	Leonardtown	2007	2011	Divested
2	Chestertown	2007	2012	Divested
3	Crisfield	2008	2013	Divested
4	Prince Frederick	2009	2013	Divested
5	Old Towson	2012	2014	Divested
6	Old La Plata	2011	2017	Divested
7	Cascade	5/27/2015	Est. 1 year	Pending final action by US Army Corp of Engineers
8	Greenbelt	10/5/2016	Est. 1 year	Pending final action by USHUD
9	Pikesville	6/7/2016	Est. 2 years	Pending results of Governor's Commission
10	Elkton	5/2/2017	Est. 2-4 years	Pending near completion of Easton Readiness Center
11	Queen Anne	Est. 1 year	Est. 2-4 years	Pending near completion of Easton Readiness Center
12	Catonsville	Est. 2-3 years	Est. 3-5 years	Pending near completion of Freedom Readiness Center
13	Ellicott City	Est. 2-3 years	Est. 3-5 years	Pending near completion of Freedom Readiness Center

NOTE #1: DMIL's Role in the Clearinghouse process is preparing and submitting the clearinghouse packets to Maryland Department of Planning

NOTE #2: Timelines are subject to change due to actions taken by stakeholders throughout the clearinghouse process

Attachment #1