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MILITARY DEPARTMENT
FIFTH REGIMENT ARMORY
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Maryland Military Department

Fiscal Year 2024 Operating Budget Response to Department of Legislative Services Budget Analysis

**House Appropriations Committee
Public Safety and Administration Subcommittee
Delegate Antonio (Tony) Bridges, Chair
February 16, 2023**

**Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Senator Cory McCray, Chair
February 17, 2023**

Introduction

The Maryland Military Department (MMD) appreciates this opportunity to update the committee on the activities of the Department and to respond to the recommendations and requested updates contained in the Operating Budget analysis prepared by the Department of Legislative Services (DLS).

The Department's responses to the recommendations and requested updates of the Department of Legislative Services:

DLS Requested: *"The department should comment on how it would cover any fiscal 2024 costs that exceed the appropriation for the program (Tricare Premium Reimbursement Program). The Department of Legislative Services (DLS) recommends adopting committee narrative to request a report on program implementation, and the number of participants for each of the two premium programs including average premium reimbursement for each as well as total reimbursement."* (DLS Analysis, Page 6-7)

Agency Response:

MMD does not believe that the costs of the Tricare Premium Reimbursement Program will exceed the appropriation for the program in its inception year. The Department has already started to lay the groundwork for successful implementation by conducting a detailed analysis of what it would take to create and manage the systems necessary for the administration of the

program. However, even with regulations to administer and implement the program in place should it become law, it will take time to put in place the staff and systems from which outreach, education, and reimbursement management would ultimately flow. And, while there is a segment of the population that does not have insurance coverage that we believe will be early adaptors, for those who do already have insurance, conversion will be slower as that group conducts a potentially complex cost-benefit analysis.

As this program is being built from the ground up, we are currently working with somewhat nebulous data. Once we have solid evidence of the program's cost trajectory, we should be able to more accurately project what level of funding we'll require for future years. Should the program be enacted into law, the Department will, as directed, submit a report by December 15, 2023 detailing information on program implementation and the number of participants for each of the two premium programs, including average premium disbursement for each as well as total reimbursement.

DLS Requested: "The department should comment on their plan to further improve recruitment and retention and how these vacancies may be affecting operations." (DLS analysis, Page 7)

Agency Response:

MMD had 36 vacant positions as of December 31, 2022. Two of those vacancies were over one year, both have since been filled. Out of the remaining 34 positions, 26 currently have been vacant for 6 months or less. The oldest vacancy of the remaining 8 positions is from May 31, 2022. Many positions became vacant during the pandemic, and it has been difficult to replace them due to the low starting salary.

The high number of vacancies at our Freestate ChalleNGe Academy (FCA) is impacting the programs' ability to safely graduate 100 cadets each class. The Annual Salary Review (ASR) for FCA will become effective on July 1, 2023. Once implemented we will start including the increase in our job announcements to attract more candidates. While helpful, it is only a one grade increase and still does not put us on par with the salaries of our biggest competitors, the District of Columbia's ChalleNGe Program or the Department of Juvenile Services. We are also working with DBM Recruitment and Examination Division (RED) and pursuing other possible solutions to increase the number of qualified candidates. An example is replacing the 16 contractual vacant Military Youth Worker I positions with merit positions.

Considering the difficulty of the current labor market, and compared to other state agencies, our recruitment strategy has been relatively effective. That said, we will continue to review our strategy and tailor each recruitment specifically to the position. We have also been innovative in our approach by using new recruitment tools. One such tool is a prerecorded one-way interviewing software "Sparkhire". The "Sparkhire" software has proven a valuable screening tool provided to our agency by DBM RED. Another planned innovation is to utilize the State-funded internship program at UMBC this Summer, the purpose of which is to hire an intern to assist our agency in using social media platforms to accompany our Indeed advertisements for recruitments. We will continue our partnership with local Community College feeder programs and apprenticeships for our trade positions. This has proven to be extremely effective in retention.

We initiated and hosted a State job fair held at the Fifth Regiment Armory last May. The event attracted 500 candidates to the 23 agencies that participated in the event. The planning

committee, made up of many agency representatives, demonstrated that pulling resources and working together was far more effective than each agency working alone. For MMD, this resulted in over 10 hires, allowing us to meet our recruitment goals and reduce vacant positions to 19 in short order. The event was so successful overall that DBM RED and the Maryland Department of Labor will be sponsoring similar events this year, the first of which will be March 15th at the Fifth Regiment Armory with another to follow in the Fall. We will be assisting and participating in both events and possibly a third event at a different location this summer.

The fact that these efforts have filled 81 merit positions since January 1, 2022 (13 of them internal promotions) compared to the number of merit positions at our agency (227.5) provides a clear indication of just how well our recruitment strategies are working. We will continue to look for ways to make our hiring process even more effective. Without resolving our retention issue, however, it matters little how effective we are at recruiting. We have therefore submitted a retention plan that addresses long-term employees who have witnessed over the past 18 months the creation of an equity gap as new employees joined MMD with much higher starting salaries. Our retention plan is based on a metric using length of State service and reviewed all employees on an individual basis. We found over 35 employees who, based on their length of service, had lower steps than expected and compared to employees with far less service, needed to have their steps increased. Equity adjustments are only a partial solution, as that only allows us to bring the current employees up to the new hires starting salary.

Ultimately, we are confident that we can address the agency's retention issues with an approved retention plan. We will be able to reduce our number of vacancies and decrease our turnover rate of 7.24% by June 30, 2023. With our new recruitment tools and strategies, we will be able to maintain our turnover rate and continue to fill vacant positions in six months or less.

DLS Requested: "The department should comment on the status of these renovations (Freestate ChalleNGe Academy) and the anticipated timeline for completion." (DLS analysis, Page 10)

Agency Response:

The Freestate ChalleNGe Academy renovations project began on May 22, 2022. Phase I completion was on February 3, 2023, in sufficient time to accommodate the incoming Class. The following upgrades were completed in Phase I:

- Conversion of four person rooms to open bays on the 2nd and 3rd floor.
- Renovations to existing HVAC system to accommodate an open bay structure.
- Replacement of HVAC automation systems to enhance controls and monitoring.
- Renovation of restrooms on all three floors of the building,
- Replacement/improvements to building mechanical systems, plumbing, fire protection (sprinklers and alarms), and electrical systems.
- Existing fire alarm system was upgraded to obtain occupancy certificate from the fire inspector, new fire system is 80% completed.
- Installation of LED lighting, new flooring and ceiling tile, and painting.
- Replacement and addition of 3rd floor insulation in select locations.

Phase II began on January 20, 2023. In addition to upgrades originally planned for this phase, a small number of items from Phase I were moved into Phase II. This phase includes the following improvements with status in parenthesis:

- Installation of new exterior doors and replacement windows (in design).

- Replacement of the floor tile of the wings on the 2nd and 3rd Floors (in design).
- Replacement of the ceiling tile of the wings on the 2nd and 3rd Floors (in process).
- Painting the walls, door trim wings (40-60 days out).
- Replacement of stair safety treads (Phase I item pending material).
- Fire protection equipment system, standpipe and sprinkler for storage areas (pending fire equipment and parts, ETA is May 2023).
- Chiller replacement (12-week lead time).
- Hot water system replacement (in design).

At this point, the final phase of this project consists of the following improvement:

- Electrical room renovation and replacement.

DLS Requested: "The department should comment on how it expects upcoming (Freestate ChalleNGe Academy) classes to perform and how it is addressing pandemic-related learning losses." (DLS analysis, Page 11)

Agency Response:

As students become re-immersed in education, we anticipate that the pandemic-related learning loss gap will gradually disappear. In the meantime, interested parties will continue to seek out the Freestate ChalleNGe Academy (FCA) as an alternative to mainstream education for numerous reasons, with pandemic-related learning loss being one of them. FCA, with its smaller class sizes, educational level grouping, and individualized instruction, is already well suited to address, head on, the learning deficit that ballooned during the primary pandemic years.

Beyond the inherent advantages FCA already has, it is taking additional steps to combat the learning gap. As a matter of course, FCA facilitates a robust volunteer tutoring program in which members of the local business, education and military communities volunteer their time and knowledge to assist Cadets in the areas of mathematics, science, social studies, and language arts. This program also includes peer tutoring where the Cadets assist one another through those same academic categories. To counter the pandemic learning gap, we have programmed the tutoring program to start two weeks earlier than in previous classes. In addition to tutoring, FCA's Education Department has implemented a new initiative to utilize academic competitions to promote group learning experiences.

In addition to pandemic-related learning loss, the Academy has also noted a significant loss in socialization skills and the overall ability of young people to get along with each other. There is a direct correlation between learning and behavior. To improve cadet socialization skills and maintain an atmosphere conducive to learning, FCA administers a Life Coping Skills curriculum that focuses on subject matter including team building, conflict resolution, anger management, time management, bullying, diversity, and character building.

To further combat learning loss, the FCA is in the pre-planning stages to hire a fifth teacher who would be able to focus on remediation and redirection for students who struggle. Some students may need to attend that class every period, while others might just need to attend the class for a period or two.

Operating Budget Recommended Actions: "The committees are interested in the Tricare Reserve Premium Reimbursement Program (HB 553/SB 554) and would like receive information on the program's implementation, if enacted. The committees request that the Military Department submit a report by December 15, 2023, detailing information on program

implementation, and the number of participants for each of the two premium programs including average premium reimbursement for each as well as total reimbursement.” (DLS Analysis, Page 12)

Agency Response:

MMD concurs with this recommended action.