

Exhibit 7
Helicopter Age and Replacement Schedule

<u>Acquisition Date</u>	<u>Target Replacement</u>	<u>Age at Replacement</u>
April 1989	2007	18
April 1989	2008	19
September 1989	2009	20
September 1989	2017	28
November 1989	2013	24
November 1989	2018	28
July 1990	2014	24
August 1990	2015	25
September 1990	2016	26
September 1994	2019	25
October 1994	2020	26
April 1999	2024	25

Source: Maryland State Police Helicopter Replacement Update, December 2002

Though the Helicopter Replacement Update identified fiscal 2007 as the target date to start replacing helicopters, there are no funds included in the fiscal 2007 capital budget for helicopter replacement. **The department should be prepared to explain why helicopter replacement will not be starting in fiscal 2007 as recommended and should be prepared to discuss the impact of the delay in replacement on operations and safety.**

The twelfth helicopter was originally added to the fleet because the first six helicopters were purchased at the same time, and as such required G-inspections at the same time. Spreading out the replacement over several years should prevent the need for simultaneous G-inspections. **DSP should be prepared to discuss why it will continue to need a twelfth helicopter when the original reason for its purchase has been addressed.**

Renovation to Existing Fleet

Though there are not funds for helicopter replacement in the allowance, it does include \$3.1 million to retrofit and upgrade the Med-Evac helicopter fleet and \$312,000 to add a second emergency medical services provider to each helicopter. The retrofit and upgrade will make improvements to medical interiors, tail rotor blades systems, and doors.

The medical interiors for the Dauphins were initially designed and built to accommodate the medical equipment available at the time of purchase (late 1980s/early 1990s). Medical equipment

Analysis of the FY 2007 Maryland Executive Budget, 2006

December 1, 2002

Maryland's Emergency Medical Service Board

VIII. Revenue Sources to Fund Helicopter Replacement

The EMS Board, through its Helicopter Replacement Committee and EMS Operations Fund Committee has considered revenue sources for EMS several times over the past several years. The EMS Board is aware that the ultimate decisions regarding funding for helicopter replacements will be made by the Governor and the General Assembly, and that such determinations are in large part dependent on economic and political variables beyond its ability to project. The Helicopter Replacement Committee revisited its most recent listing of revenue sources from June, 2001 and maintains that the following sources would be most appropriate to support a fund dedicated to the replacement of the Medevac fleet:

- **Tax on Gasoline.** Based on 2.3 billion gallons of gasoline sold each year, the increase (or the allocation from the current tax receipts if it is determined that the funding should come within the existing tax rate) would be approximately 1/3 of a penny. The gas tax was the source for the original procurement of the MEDEVAC fleet. The fee is still in the law (Maryland Code, 1999 Repl. Vol., 2000 Cum. Supp., section 7-713 of the Transportation Article). Tapping this resource would match the cost with the "consumer," and would capture fees from those who travel through Maryland from other states. Spreading the fee over so many units (2.3 billion gallons) would seemingly lessen the financial impact.
- **Capital Funds.** At the time of the initial purchase of the Medevac fleet, helicopters were expected to last approximately 10 years. As noted above, information now indicates that the fleet should function safely, reliably, and efficiently for up to 25 years. The committee believes that this projection of a longer life cycle allows the purchase of the helicopters to more closely fall within the parameters of allowable capital budget expenditures.
- **General Funds.** While acknowledging that the availability of General Funds fluctuates significantly because of economic conditions, the committee considers this to be a suitable source of funding for the replacement of the Medevac fleet.
- **Tolls.** The committee believes that tolls are a defensible source of funding Medevac helicopters, as most Medevac EMS missions are vehicle related. An additional advantage of this source is that residents of other states would also be contributing to a service that is made available to them. As over 100 million tolls are collected each year, a large increase would not be necessary to fund the replacement helicopters.
- **Court Costs, Traffic Cases and/or Alcohol Violation Cases.** Approximately \$10 for each traffic adjudication would be necessary to raise the necessary revenue. A larger penalty, approximately \$250, would have to be added to alcohol-related offenses to meet the budget needs. Again, this fee matches the "user" with the service and gains resources from out-of-state travelers.
- **Maryland Income Tax Check-Off.** The committee believes that sufficient support exists for EMS in the general population that an income tax check-off would raise significant funds.
- **Tire Disposal Fee.** A \$1 fee on tire disposals would raise nearly \$6 million per year. The current fee is 40 cents per tire.
- **Alcohol Tax:** A five-cent increase in the tax assessed on each gallon of beer, distilled spirits and wine would raise approximately \$6 million per year. As many accidents to which the Medevac fleet responds are caused by misuse of alcohol, the assessment matches the fee with the user of the service.