

D12A02
Office for Individuals with Disabilities

Operating Budget Data

(\$ in Thousands)

	FY 02	FY 03	FY 04	FY 03-04	FY 03-04
	<u>Actual</u>	<u>Approp</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
General Funds	\$677	\$584	\$566	-\$18	-3.1%
Contingent & Back of Bill Reductions	0	-1	-2	-2	
Adjusted General Funds	\$677	\$584	\$564	-\$20	-3.4%
Special Funds	0	108	101	-7	-6.8%
Federal Funds	2,582	1,408	1,414	7	0.5%
Contingent & Back of Bill Reductions	0	0	-3	-3	
Adjusted Federal Funds	\$2,582	\$1,407	\$1,411	\$4	0.3%
Reimbursable Funds	279	35	0	-35	-100.0%
Adjusted Grand Total	\$3,538	\$2,134	\$2,076	-\$58	-2.7%

- The fiscal 2004 allowance decreases by \$58,000, or 2.7% below the fiscal 2003 working appropriation.

Personnel Data

	FY 02	FY 03	FY 04	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	15.00	15.00	14.00	-1.00
Contractual FTEs	2.00	2.00	2.00	0.00
Total Personnel	17.00	17.00	16.00	-1.00

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	0.28	2.00%
Positions Vacant as of 12/31/02	0.00	0.00%

- The fiscal 2004 allowance abolishes one position. This abolition is actually the conversion of a PIN in the Technology Assistance Program (TAP) to a contractual position.

Note: Numbers may not sum to total due to rounding.

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- Estimated turnover decreases by 1.7%, for an increase of \$16,000.
- The data included in the allowance for contractual full-time equivalents (FTEs) is incorrect. The fiscal 2004 allowance should include 4.5 contractual FTEs, an increase of 2.0 in fiscal 2004. The allowance includes funding for the additional contractual positions but does not include the positions themselves. These contractual FTEs are in TAP.

Analysis in Brief

Major Trends

Office for Individuals with Disabilities Succeeds Despite Budget Reductions: The Office for Individuals with Disabilities (OID) has demonstrated sustained ability to achieve performance goals, despite budgetary resources below the fiscal 2001 level.

Issues

Maryland Technology Assistance Program Grant Subject to Federal Reauthorization in Federal Fiscal 2004: The federal grant that supports the Maryland Technology Assistance Program is set to expire in federal fiscal 2004. **OID should comment on the potential impact of a loss or reduction in federal funds and its efforts to ensure the continued availability of this funding source. OID should also comment on any alternative plans the office has developed to date for continuing to offer these services should federal funding be eliminated.**

Recommended Actions

1. Concur with Governor's allowance.

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Office for Individuals with Disabilities

Operating Budget Analysis

Program Description

The Office for Individuals with Disabilities (OID) provides information on programs and services for Marylanders with disabilities, identifies and works to improve insufficient services, coordinates and supports public and private agencies serving individuals with disabilities, monitors and encourages the State's compliance with laws and policies affecting persons with disabilities, and recommends capital improvements to increase accessibility at State facilities.

OID also includes the Committee on Employment of People with Disabilities (CEPD) and the Maryland Technology Assistance Program (MD TAP). The Maryland Developmental Disabilities Council (MD DDC) is co-located with OID and its 100% federally funded budget appears in OID, though the federal law that created the DDCs specifically prohibits the State from interfering with the activities and budget of the council.

The various subprograms within OID share three key goals:

- to raise awareness of information and resources available to individuals with disabilities;
- to identify and remove barriers that negatively impact the quality of life for people with disabilities; and
- to create a climate in which people with disabilities have meaningful opportunity for employment.

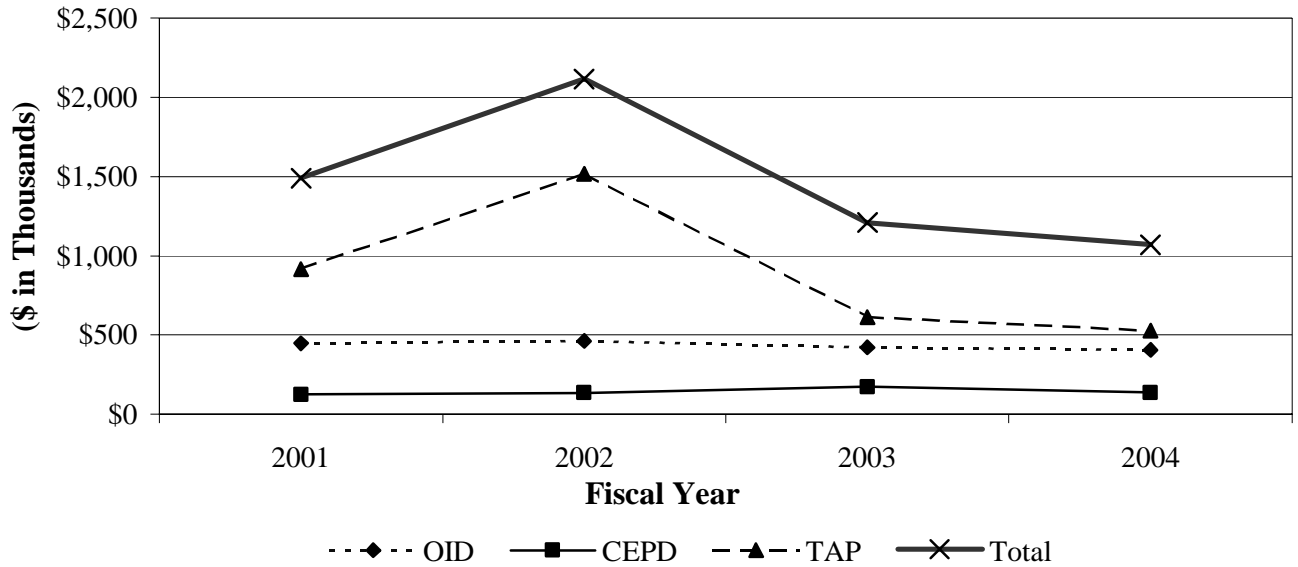
Performance Analysis: Managing for Results

OID has demonstrated sustained ability to meet key goals, even while facing decreasing budgets. **Exhibit 1** shows the four-year funding history for the various programs within OID, with the exception of MD DDC, which is 100% federally funded and over which OID has no jurisdiction. Though an increase in the federal grant for the Technology Assistance Program (TAP) increased OID's budget from fiscal 2001 to 2002, fiscal 2003 and 2004 funding is below the fiscal 2001 level in individual programs and overall.

Despite the decreasing funding demonstrated in Exhibit 1, OID has continued to improve its services to the State's disabled citizens. **Exhibit 2** provides several examples of OID's ability to meet its key goals.

Exhibit 1

**Office for Individuals with Disabilities Funding
Fiscal 2001 through 2004**



Source: Department of Budget and Management

Exhibit 2

**Performance Measurement Data
Office for Individuals with Disabilities
Fiscal 2001 through 2004**

	FY 01 <u>Actual</u>	FY 02 <u>Actual</u>	FY 03 <u>Est.</u>	FY 04 <u>Est.</u>	FY 01-04 <u>% Chg.</u>
People trained through OID programs	1,300	4,635	4,600	4,700	362%
Assistive Technology Loans granted	97	108	120	145	150%
Businesses participating in Business Leadership Networks	125	145	175	250	200%

Source: Office for Individuals with Disabilities

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- ***Raising Awareness of Information and Resources Available to Individuals with Disabilities:*** The first performance measure indicates that OID is educating Marylanders with and without disabilities about the State's disabled population and its needs and capabilities. The number of individuals receiving training has more than tripled since 2001. Training topics include using assistive technology, developing leadership skills in the youth population with disabilities, and educating employers about hiring individuals with disabilities.
- ***Identifying and Removing Barriers that Negatively Impact the Quality of Life for People with Disabilities:*** TAP operates the Assistive Technology Guaranteed Loan (ATGL) program, which helps individuals with disabilities qualify for low-interest loans to buy assistive technology to increase their capacity to live, work, and learn independently. The program partners with lending institutions and guarantees loans for individuals who might not otherwise qualify. The program started with a seed grant of \$500,000 in general funds, and an infusion of \$1 million in federal funds in fiscal 2002 will allow the program to increase its number of annual loan guarantees by 50% by 2004. Special funds from interest and principal payments on guaranteed loans are now paying for the administration of the program.
- ***Creating a Climate in which People with Disabilities Have Meaningful Opportunity for Employment:*** CEPD has consistently attracted new members to the regional Business Leadership Networks (BLNs), which are coalitions of employers interested in hiring individuals with disabilities. If OID's estimates prove correct, membership in BLNs will have doubled from 2001 to 2004. However, OID should discuss its strategies for this level of recruitment given the continued decrease in CEPD's budget. Additionally, while the increase in BLN membership indicates that employers are interested in hiring individuals with disabilities, OID does not collect data indicating how many disabled individuals BLN members actually hire.

Fiscal 2003 Actions

Impact of Cost Containment

Fiscal 2003 cost containment reflects the reversion of \$1,000 supporting free transit ridership for State employees, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2003.

Governor's Proposed Budget

As **Exhibit 3** shows, the fiscal 2004 allowance decreases by \$58,000, or 2.8% below the fiscal 2003 working appropriation. Major changes include a \$13,000 decrease in personnel expenses. This decrease comes from the abolition of one position in TAP. The abolition actually reflects the conversion of this position to a contractual position at the employee's request. OID is currently negotiating with the Department of Budget and Management to convert this position identification number (PIN) to a contractual position. The allowance also reduces other operating expenditures within OID's administration by \$37,000.

Exhibit 3

**Governor's Proposed Budget
Office for Individuals with Disabilities
(\$ in Thousands)**

	<u>FY 02 Actual</u>	<u>FY 03 Approp</u>	<u>FY 04 Allowance</u>	<u>FY 03-04 Change</u>	<u>FY 03-04 % Change</u>
General Funds	\$677	\$584	\$566	-\$18	-3.1%
Contingent & Back of Bill Reductions	0	-1	-2	-2	356.9%
Adjusted General Funds	\$677	\$584	\$564	-\$20	-3.4%
Special Funds	0	108	101	-7	-6.8%
Federal Funds	2,582	1,408	1,414	7	0.5%
Contingent & Back of Bill Reductions	0	0	-3	-3	588.7%
Adjusted Federal Funds	\$2,582	\$1,407	\$1,411	\$4	0.3%
Reimbursable Funds	279	35	0	-35	-100.0%
Adjusted Grand Total	\$3,538	\$2,134	\$2,076	-\$58	-2.7%

Where It Goes:

Personnel Expenses

Abolished position.....	-\$49
Turnover adjustments.....	17
Adjustments to salaries and wages, retirement, workers' compensation, deferred compensation, and transit subsidies.....	11
Employee and retiree health insurance.....	8

Increase Independence through Assistive Technology – Technology Assistance Program

Funding for 2.0 new contractual positions.....	92
Increase in indirect charges to reflect fiscal 2002 actual spending.....	20
Reduction in contractual services for activities now carried out in-house due to reduced federal funding.....	-143

Create a Climate in which Individuals with Disabilities Have Meaningful Employment Opportunities – Committee on Employment of People with Disabilities

Reduction in reimbursable funds from DORS for creation of a BLN in Southern Maryland.....	-35
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Raise Awareness of Information and Resources Available to Individuals with Disabilities – Maryland Developmental Disabilities Council

Increase in federal grant funding.....	58
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Where It Goes:

Other Operating Expenses

Reduction in contractual services	-16
Travel and vehicles	-14
Other operating adjustments	-7
Total	-\$58

DORS = Division of Rehabilitative Services

Note: Numbers may not sum to total due to rounding.

Technology Assistance Program

Changes in TAP include an increase of \$92,000 for 2.0 additional contractual FTEs. One of these FTEs is the conversion of the PIN to a contractual FTE. The other 1.0 FTE will allow the office to participate in activities related to accessible information technology within a regional consortium. Also in TAP, OID has reduced its funding of contractual services by \$143,000. In previous years, this funding was awarded to various private organizations to conduct assistive technology projects and demonstrations. However, due to decreased federal funding, OID has shifted many of these projects in-house.

Committee on Employment of People with Disabilities

CEPD's allowance includes a decrease of \$35,000. This represents the completion of an agreement with the Maryland State Department of Education Division of Rehabilitative Services (DORS) to create a BLN in Southern Maryland.

Maryland Developmental Disabilities Council

MD DDC's fiscal 2004 allowance includes an additional \$58,000 in its federal allocation for grant funding. These grants fund the council's community partners offering innovative demonstration projects and leadership development training for individuals with disabilities.

Impact of Cost Containment

Fiscal 2004 cost containment reflects the elimination of \$5,494 for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in the 2003 BRFA.

Issues

1. Maryland Technology Assistance Program Grant Subject to Federal Reauthorization in Federal Fiscal 2004

MD TAP provides information and consultation on assistive technology to introduce individuals with disabilities to the technologies available and help them in choosing the technology that best fits their needs. OID operates a central MD TAP site, one in Western Maryland, and one on the Eastern Shore. These facilities perform training sessions on assistive technology, operate information and referral services, and demonstrate and loan assistive technology to individuals who are interested in acquiring it. The program is primarily funded through a federal grant authorized through the Assistive Technology Act of 1998, which is set to expire in federal fiscal 2004.

The fiscal 2004 federal fund allowance for MD TAP is roughly \$400,000, representing almost 20% of OID's operating budget. Obviously the loss of this federal funding source would have a significant impact on OID's budget and its ability to provide these services. **OID should comment on the potential impact of a loss of or reduction in federal funds and its efforts to ensure the continued availability of this funding source. OID should also comment on any alternative plans the office has developed to date for continuing to offer these services should federal funding be eliminated.**

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Office for Individuals with Disabilities (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$716	\$0	\$1,283	\$350	\$2,349
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	1,337	117	1,454
Reversions and Cancellations	-39	0	-38	-188	-265
Actual Expenditures	\$677	\$0	\$2,582	\$279	\$3,538
Fiscal 2003					
Legislative Appropriation	\$584	\$108	\$1,408	\$0	\$2,100
Budget Amendments	-1	0	0	35	34
Working Appropriation	\$583	\$108	\$1,408	\$35	\$2,134

Note: Numbers may not sum to total due to rounding.

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Fiscal 2002

Cost containment reduced the fiscal 2002 appropriation by \$29,000. The office received \$1.1 million in additional federal funds for the ATGL program.

Fiscal 2003

In fiscal 2003 OID entered into an agreement with the Maryland State Department of Education, DORS, to establish a BLN in Southern Maryland. As part of this agreement, DORS provided a Systems Change Grant of \$35,000. Systems Change Grants were awarded by the U.S. Department of Education in October 2001 to enhance the job-readiness and employment opportunities of individuals with disabilities who receive public support.

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Appendix 2

Object/Fund Difference Report
Office for Individuals with Disabilities

<u>Object/Fund</u>	<u>FY 02 Actual</u>	<u>FY 03 Working Appropriation</u>	<u>FY 04 Allowance</u>	<u>FY 03 - 04 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	15.00	15.00	14.00	-1.00	-6.7%
02 Contractual	2.00	2.00	2.00	0	0%
Total Positions	17.00	17.00	16.00	-1.00	-5.9%
Objects					
01 Salaries and Wages	\$ 943,182	\$ 915,342	\$ 900,915	-\$ 14,427	-1.6%
02 Technical & Spec Fees	71,634	114,417	206,185	91,768	80.2%
03 Communication	55,455	44,296	46,682	2,386	5.4%
04 Travel	44,846	37,872	35,250	-2,622	-6.9%
07 Motor Vehicles	1,379	12,983	1,223	-11,760	-90.6%
08 Contractual Services	249,928	410,605	233,759	-176,846	-43.1%
09 Supplies & Materials	14,134	24,393	16,050	-8,343	-34.2%
10 Equip - Replacement	0	4,000	250	-3,750	-93.8%
11 Equip - Additional	13,579	12,688	9,822	-2,866	-22.6%
12 Grants, Subsidies, Contr	2,057,107	479,151	532,067	52,916	11.0%
13 Fixed Charges	86,640	79,173	98,814	19,641	24.8%
Total Objects	\$ 3,537,884	\$ 2,134,920	\$ 2,081,017	-\$ 53,903	-2.5%
Funds					
01 General Fund	\$ 676,849	\$ 584,146	\$ 565,892	-\$ 18,254	-3.1%
03 Special Fund	0	108,239	100,913	-7,326	-6.8%
05 Federal Fund	2,582,007	1,407,535	1,414,212	6,677	0.5%
09 Reimbursable Fund	279,028	35,000	0	-35,000	-100.0%
Total Funds	\$ 3,537,884	\$ 2,134,920	\$ 2,081,017	-\$ 53,903	-2.5%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.