

D12A02
Department of Disabilities

Operating Budget Data

(\$ in Thousands)

	FY 04	FY 05	FY 06	FY 05-06	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$611	\$1,239	\$1,348	\$108	8.7%
Special Fund	72	92	7,381	7,288	7899.9%
Federal Fund	1,428	1,650	3,715	2,065	125.2%
Reimbursable Fund	<u>62</u>	<u>155</u>	<u>90</u>	<u>-65</u>	<u>-42.2%</u>
Total Funds	\$2,174	\$3,136	\$12,532	\$9,396	299.6%
Contingent & Back of Bill Reductions			-9	-9	
Adjusted Total	\$2,174	\$3,136	\$12,523	\$9,387	299.3%

- The fiscal 2006 allowance increases by \$9.4 million, or 300% over the fiscal 2005 working appropriation. Special funds increase by \$7.3 million, an increase of almost 8,000% from fiscal 2005, and federal funds increase by \$2.1 million, an increase of 125% from fiscal 2005.
- The transfer of the Telecommunications Access of Maryland program (TAM) from the Maryland Department of Budget and Management (DBM) accounts for \$6.8 million in additional special funds.
- Funds for the Technology Assistance Program (TAP) Guaranteed Loan Program increase by \$2.7 million (\$2.1 million in federal funds; \$445,000 in special funds; \$75,000 in general funds) due to two grants from the U.S. Department of Education and matching State funds to guarantee low-interest loans to purchase assistive technology for people with disabilities.

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

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Personnel Data

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>
Regular Positions	15.00	21.00	26.00	5.00
Contractual FTEs	<u>4.00</u>	<u>5.40</u>	<u>4.20</u>	<u>(1.20)</u>
Total Personnel	19.00	26.40	30.20	3.80

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.52	2.00%
Positions Vacant as of 12/31/04	2.00	9.52%

- The five new positions proposed in the fiscal 2006 allowance are all due to the transfer of TAM from DBM.
- The department needs to keep 0.5 positions vacant to meet its budgeted turnover of 2%. As of December 31, 2004, two positions were vacant for longer than six months for a vacancy rate of 9.52%.

Analysis in Brief

Major Trends

The Maryland Department of Disabilities (MDOD) Has Not Developed Performance Data or Estimates for Three of Its Goals: Upon the transition to a new cabinet-level department, MDOD developed new Managing for Results goals and objectives. It has not yet developed performance data or future estimates for three of its goals.

Success in Access Maryland and Assistive Technology Guaranteed Loan Programs: MDOD's Access Maryland Program expects a decline in activity from fiscal 2004 through 2006, but the number of accessible State facilities is expected to increase fairly steadily through fiscal 2006. MDOD's Assistive Technology Guaranteed Loan Program expects steady success from fiscal 2003 to 2006.

Issues

Transfer of TAM Program from DBM: The Governor’s fiscal 2006 allowance provides for the transfer of TAM from DBM to MDOD. TAM provides telecommunications services so that people with speech or hearing loss can communicate via the telephone. The transfer of TAM increases MDOD’s special fund appropriation by \$6.8 million.

Transition to New Cabinet-level Department: In fiscal 2005 the Office for Individuals with Disabilities transitioned to the cabinet-level Department of Disabilities. Personnel and budget increased, and administrative operations and performance measures were revised during the transition.

Recommended Actions

1. Concur with Governor’s allowance.

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Department of Disabilities

Operating Budget Analysis

Program Description

The Maryland Department of Disabilities (MDOD) was established by Chapter 425, Acts of 2004 (SB 188), effective July 1, 2004. The department is the principal State agency responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards throughout the units of State government. The department works to increase the capacity of Maryland communities to provide services in inclusive settings; create a citizen-centered delivery system in which consumers can exercise meaningful choice and maintain control of their lives; infuse the service delivery system with elevated expectations about the capacities of people with disabilities; incorporate accessible and universal design into Maryland's communities and technologies; and construct a seamless, responsive and coordinated service delivery system. To this end, the department directs the development and implementation of the Statewide Disability Plan designed to improve, consolidate, coordinate, modify, and unify services for people with disabilities.

In addition, the department provides information on programs and services available to Marylanders with disabilities, provides expertise regarding law and State compliance issues, and facilitates citizens with disabilities in accessing resources, information, and technology. The department also administers the Constituent Services Program, the Access Maryland Program, the Technology Assistance Program, and the Telecommunications Access for Maryland program, which provides telecommunication relay service for Maryland's hearing and speech impaired citizens.

Performance Analysis: Managing for Results

Due to the transition of the Office for Individuals with Disabilities to the cabinet-level Department of Disabilities in fiscal 2005, MDOD developed new Managing for Results (MFR) goals, objectives, outputs, and outcomes. The following goals do not yet have any performance measurement data:

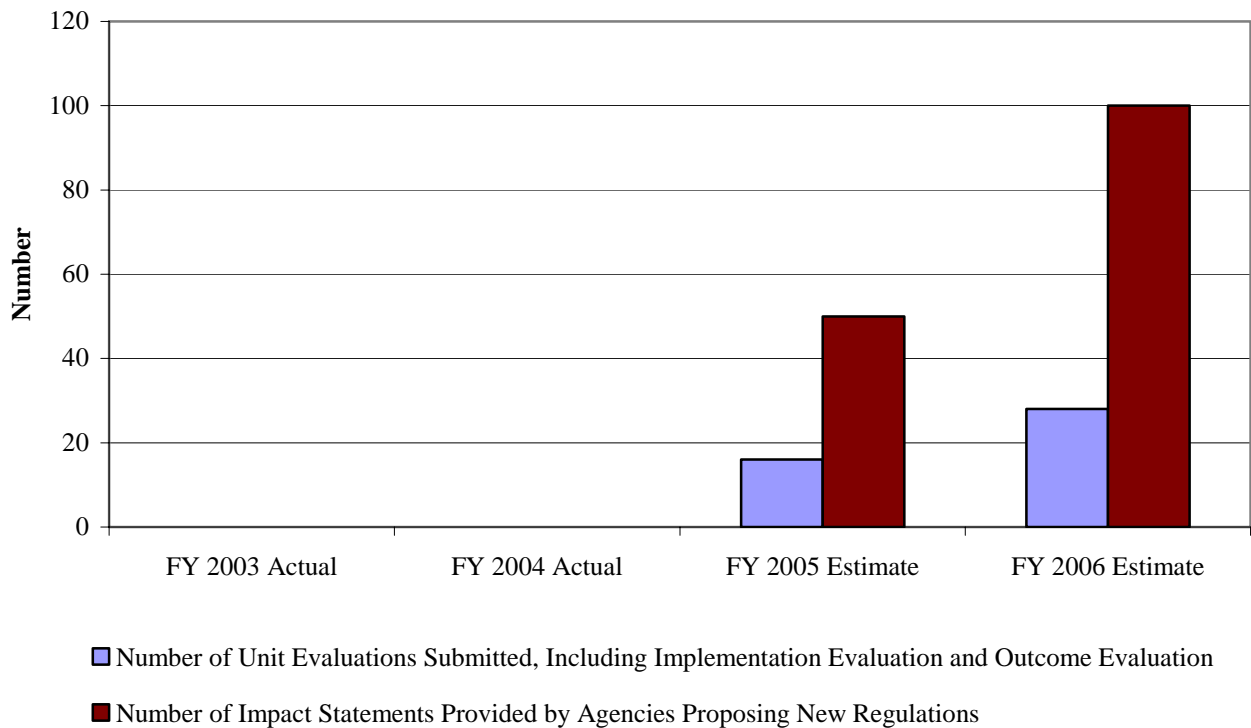
- Persons with disabilities have access to community-based, self-directed long-term services that enable them to live in the community.
- Persons with disabilities have access to reliable transportation options.
- Persons with disabilities have access to integrated training and employment options in the community.

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MDOD reports that it will gather baseline performance measure data for these objectives during fiscal 2006. **The department should comment on the status of its MFR goals and measurement data, including how and why its goals and objectives have changed since one year ago, its lack of estimated performance data for fiscal 2005 and 2006, and its plans to keep consistent MFR measures in upcoming years to promote accurate measuring of performance.**

Exhibit 1 shows fiscal 2005 and 2006 performance estimates for its goal to coordinate State services for people with disabilities to make them more efficient, effective, and less expensive. Performance in the number of unit evaluations submitted and the number of impact statements provided by agencies proposing new regulations is expected to nearly double from fiscal 2005 to 2006. These initiatives are just beginning to be implemented mid-way through fiscal 2005; therefore, the numbers for fiscal 2005 reflect performance for a relatively short amount of time compared to future years. **The department should brief the committees on its expectations for success in these areas, including how these objectives reflect the department’s vision and mission.**

Exhibit 1
Performance Data – Department Goal to Coordinate
State Services for People with Disabilities
Fiscal 2003 – 2006

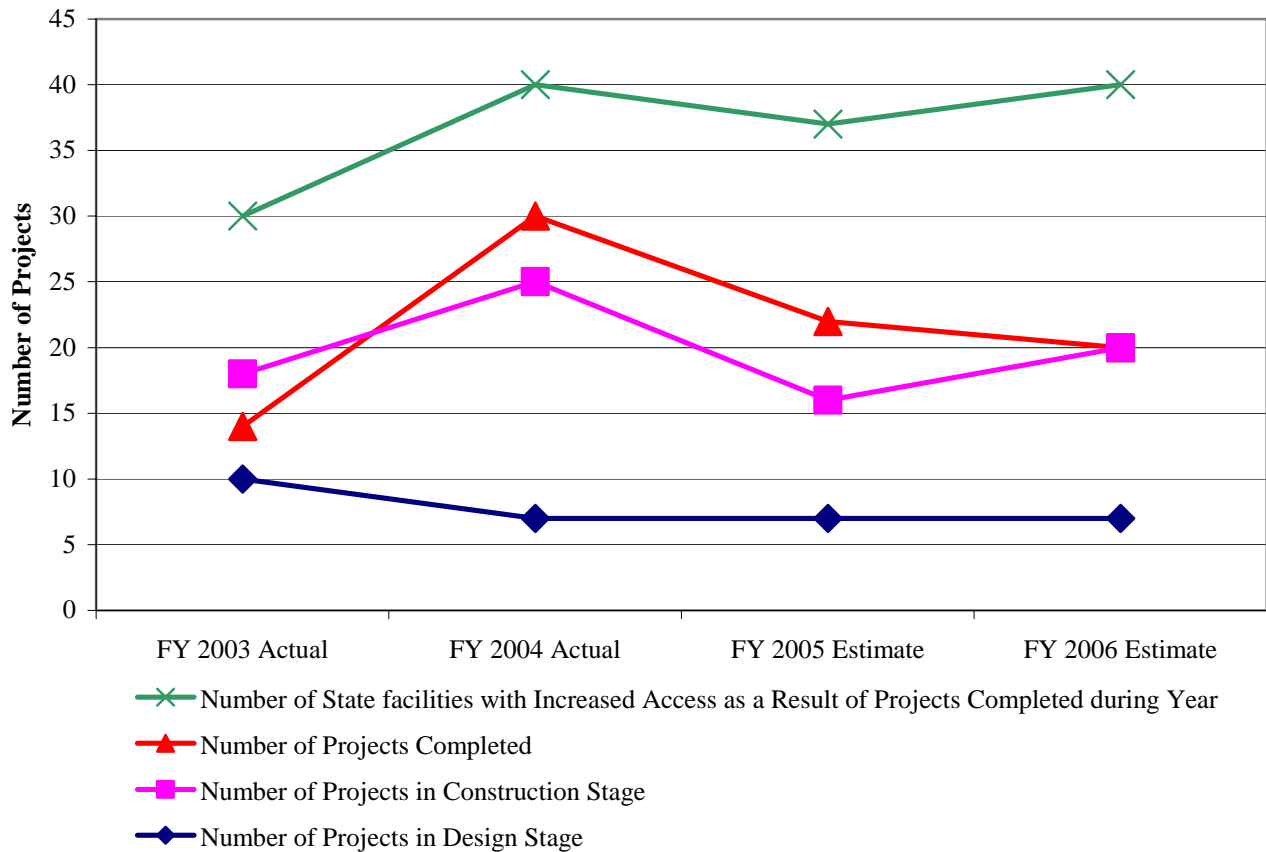


Source: Department of Disabilities

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Exhibit 2 demonstrates MFR data for the department’s Access Maryland Program, which strives to ensure that State facilities and technology are accessible and universally designed. The number of projects in the design phase is expected to stay fairly low from fiscal 2004 through 2006 due to limited funding for these capital improvement projects. The data also reflects a higher number of multi-year projects underway. The number of projects in the construction phase peaks in fiscal 2004 but is expected to decline in fiscal 2005 before rising again in fiscal 2006. The number of projects completed peaks in fiscal 2004, but the number of State facilities with increased access as a result of these projects increases fairly steadily. The fluctuations in these indicators are based on the level of funding available for capital improvement projects in the fiscal year.

Exhibit 2
Performance Data – Access Maryland Program
Fiscal 2003 – 2006

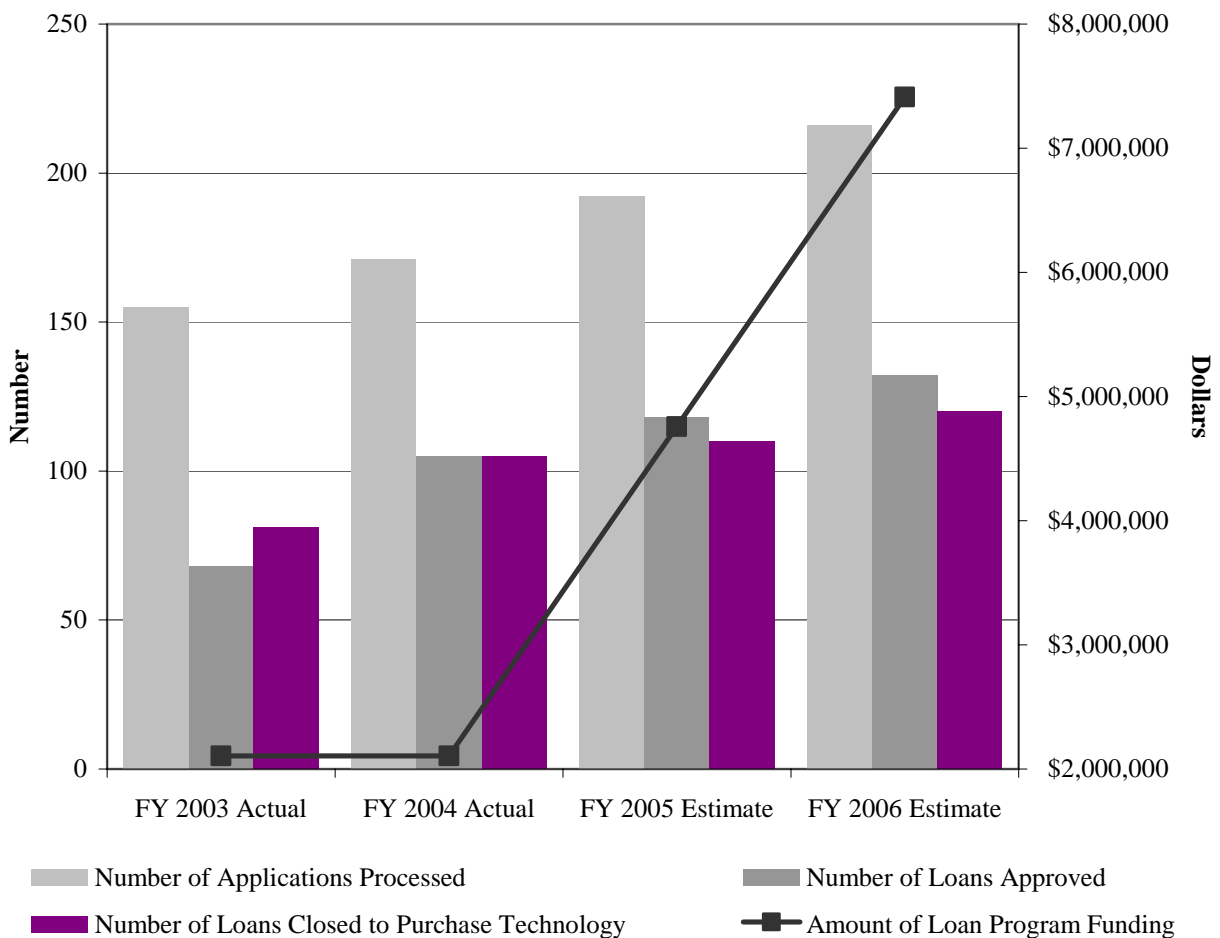


Source: Department of Disabilities

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Exhibit 3 contains performance data for the department’s Assistive Technology Guaranteed Loan Program. The numbers of applications processed, loans approved, and loans closed continue to increase steadily from fiscal 2003 through fiscal 2006 estimates due to increased funding. The amount of loan program funding remained level from fiscal 2003 to 2004 but is expected to increase significantly in fiscal 2005 and 2006. The funding amount is held in a non-lapsing account used to guarantee assistive technology loans. The fiscal 2006 allowance includes an additional \$2.7 million for this loan guarantee program (\$2.1 million from the U.S. Department of Education), causing the estimated increase in performance for that year.

Exhibit 3
Performance Data – Assistive Technology Guaranteed Loan Program
Fiscal 2003 – 2006



Source: Department of Disabilities

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The department should brief the committees on its receipt of the additional \$2.7 million for the Assistive Technology Guaranteed Loan Program, commenting on whether it has received such funds in the past, whether it expects to continue to receive this level of funding in the future, and how this program and the disabled population will be impacted.

Governor's Proposed Budget

Major changes in the Governor's proposed budget are shown in **Exhibit 4**. The most significant changes are due to the transfer of the Telecommunications Access of Maryland program (TAM) from the Department of Budget and Management (DBM) to MDOD. This transfer causes an increase of \$269,000 in personnel for five transferred positions. Contractual services increase by \$6.4 million – \$6.0 million for relay service vendors, \$210,000 for audits of vendors, and \$175,000 for advertising and promotions. The other significant change is an increase of \$2.7 million for the Technology Assistance Program (TAP). This increase is comprised of \$2.1 million in federal funds from the U.S. Department of Education to provide loans to purchase assistive technology for people with disabilities; \$445,000 in special funds and \$75,000 in general funds make up the required State match.

Exhibit 4
Governor's Proposed Budget
Department of Disabilities
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimbursable Fund	Total
2005 Working Appropriation	\$1,239	\$92	\$1,650	\$155	\$3,136
2006 Governor's Allowance	1,348	7,381	3,715	90	12,532
Contingent & Back of Bill Reductions	<u>-5</u>	<u>-2</u>	<u>-2</u>	<u>0</u>	<u>-9</u>
Adjusted Allowance	\$1,343	\$7,379	\$3,712	\$89	\$12,523
Amount Change	\$104	\$7,287	\$2,063	-\$66	\$9,387
Percent Change	8.4%	7898.0%	125.0%	-42.4%	299.3%

Where It Goes:

Personnel Expenses

Five positions transferred from DBM due to transfer of TAM program.....	\$293
Increments and other compensation	48
Turnover adjustments	26
Retirement contribution cost increase	14
Employee and retiree health insurance	9
Workers' compensation.....	-3

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Where It Goes:

Telecommunications Access of Maryland (TAM)

Relay service vendors	5,992
Mandated audits of vendors	210
Advertising and promotions	175
Communications increase for transfer of TAM program from DBM.....	68

Technology Assistance Program (TAP)

Funds for TAP loan program to provide loans to purchase assistive technology (\$2,133,000 in federal funds from U.S. Department of Education; \$75,000 in general funds and \$445,000 in special funds are a required match).....	2,653
Contractual services for training, printing, information technology, interpreters	72
Office supplies and materials, mostly due to cost savings in TAP.....	-6
Replacement equipment costs reflect update of TAP technology in fiscal 2005.....	-29

Other Changes

Increase in rent due to relocation to new offices	26
Utilities costs for new office space; MDOD did not pay utilities in previous location	12
Motor vehicles costs, mostly for garage rent at new office location	8
Decrease in in-state travel expenditures due to cost containment	-18
Equipment was purchased for five new employees in fiscal 2005	-33
Other contractual services.....	-37
Deletion of 1.2 contractual positions (\$28,000 SF; \$45,000 FF; \$32,000 RF).....	-103
Other	10

Total **\$9,387**

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

Impact of Strategic Budget Reductions

MDOD experienced a minor impact from strategic budget reductions that is most apparent in cost containment reductions to travel, equipment, and association dues.

Issues

1. Transfer of TAM Program from DBM

The Governor's fiscal 2006 budget allowance provides for the transfer of TAM from DBM to MDOD. Pursuant to the Americans with Disabilities Act, TAM provides telecommunications relay services to allow individuals with speech or hearing loss to communicate via the telephone. An operator relays a text message to a hearing person over the telephone line and then types the hearing person's spoken words back to the person with the text telephone. TAM also oversees the following:

- Newline for the Blind – a service that allows people with visual impairments or reading disabilities to have newspaper articles read to them over the telephone at no cost;
- Maryland Accessible Telecommunications – provides free adaptive equipment to people who have a disability that prevents them from using a standard telephone;
- CapTel – allows deaf or hard of hearing individuals with clear speech to speak for themselves while receiving both the voice and captions of the other party's conversation;
- payphones with text telephone capabilities; and
- Governor's Advisory Board for Telecommunications Relay – an advisory board that advises TAM.

The transfer of TAM to MDOD brings \$6,830,762 in special funds into MDOD's budget, including:

- \$6.4 million for the contractual costs of vendor services;
- \$293,000 for personnel (five transferred PINs);
- \$68,000 for communications;
- \$31,000 for rent;
- \$11,000 for travel;
- \$10,000 for grants; and
- \$10,000 for supplies and equipment.

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TAM is funded completely by special funds that are assessed with a universal service charge on all monthly phone bills. At the close of fiscal 2004, the fund balance in TAM was \$4,610,613. TAM reports that its fiscal 2005 revenue estimate is \$6.6 million, and its fiscal 2005 expenditure estimate is \$7.7 million. TAM also reported that its fiscal 2006 revenue estimate is \$6.3 million, and its fiscal 2006 expenditure estimate is \$6.8 million. These expenditure estimates do not include video relay services for deaf and hard of hearing individuals. TAM is maintaining its fund balance in anticipation of a possible policy shift by the Federal Communications Commission requiring states to provide video and Internet relay services beginning sometime during fiscal 2006. TAM reported that the annual cost of providing these services could reach \$3 million.

The department should comment on how it intends to measure performance of the transferred TAM Program, including whether the department will use existing MFR measures for this program or develop new MFR measures.

2. Transition to New Cabinet-level Department

Background

The Office for Individuals with Disabilities (OID) transitioned to the cabinet-level Department of Disabilities in fiscal 2005. In the transition from OID to a cabinet-level department, MDOD cited a need for reform of the fragmented disability service delivery system in the State. During the 2004 legislative session, OID stated that the new department was intended to oversee the funding and implementation of the State's disability services, including:

- recommending the consolidation of programs that are duplicative;
- streamlining the process of grant submissions to federal agencies by developing a unified approach to grant writing;
- maximizing federal funding;
- holding all of Maryland government accountable to strategically assess the number of people requiring services;
- identifying gaps in services;
- identifying the efficacy of services provided; and
- tracking the progress made on achieving performance objectives.

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The department should comment on the status of its progress on each of the above items. The department should include data on the amount of additional federal and grant funding that was obtained during fiscal 2005 through the department’s efforts.

Changing Role

Additional resources, staff, and goals have accompanied the department’s transition from an office to a department.

Performance Measures

In line with its new cabinet-level status, the department has developed a new vision, mission, and set of goals. A comparison of the vision, mission, and goals of the former OID and the current department are shown in **Exhibit 5**.

Exhibit 5
Comparison of Former and Current Vision, Mission, and Goals

	<u>Office for Individuals with Disabilities</u>	<u>Department of Disabilities</u>
Vision	The Governor’s Office for Individuals with Disabilities envisions Maryland as a State where all citizens have full access to the resources, services, and opportunities for participation in all aspects of community life through the provision of appropriate information, referral, assistance, accommodations, and supports.	The department envisions Maryland as a State where people with disabilities are provided with the right supports, training, and opportunities so that they may live independent, productive, and full lives in the communities where they live, work, play, learn, and prosper.
Mission	The Governor’s Office for Individuals with Disabilities exists to provide disability-related expertise and support to Maryland citizens, to facilitate their ability to access resources, information, and services, and to provide information/expertise regarding law and State compliance issues.	The mission of the department is to empower individuals with disabilities to achieve their personal and professional goals in the community where they live.
Goals	<ul style="list-style-type: none">● To raise awareness of information and resources available to individuals with disabilities.● To identify and remove barriers that negatively impact on the quality of life for people with disabilities.	<ul style="list-style-type: none">● To coordinate State services for people with disabilities to make them more efficient, more effective, and less expensive.● Persons with disabilities have access to community based, self-directed long-term services that enable them to live in the community.

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Office for Individuals with Disabilities

- To create a climate in which meaningful employment opportunities exist for people with disabilities.

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- Persons with disabilities have access to reliable transportation options.
- Persons with disabilities have access to integrated training and employment options in the community.
- Maryland’s State facilities and technology are accessible and universally designed, promoting independence and participation of people with disabilities.
- People with disabilities improve their quality of life by acquiring assistive technology to work, operate businesses, excel in school, live in safe and accessible homes, enjoy independent transportation, and gain greater access to their communities.

Source: Department of Disabilities; Dept of Legislative Services

Budget

The department’s fiscal 2005 working appropriation is approximately \$963,000 above its fiscal 2004 actual budget. In the fiscal 2006 allowance, general funds increase by \$108,000 for operations and TAP, special funds increase by \$7.3 million due to the transfer of TAM from DBM, and federal funds increase by \$2.1 million for the Assistive Technology Guaranteed Loan Program. The department has also moved to a new office location at 217 E. Redwood Street in Baltimore City. A brief overview of personnel and budget changes is in **Exhibit 6**.

Exhibit 6
Transition to Cabinet-level Department – Personnel and Budget Changes
Fiscal 2004 – 2006

	<u>Fiscal 2004 Actual</u>	<u>Fiscal 2005 Working</u>	<u>Fiscal 2006 Allowance</u>
Regular Positions	15	21	26
Total Budget	\$2,173,621	\$3,135,888	\$12,532,158

Source: Department of Legislative Services

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Personnel

In fiscal 2005 MDOD gained five new regular positions; these positions are:

- Director of Health Care Financing Policy (Administrator III) – formulates and implements health care financing policy related to disabilities;
- Director of Children’s Policy (Administrator III) – formulates and implements policy for children with disabilities;
- Director of Research and Evaluation (Administrator IV) – directs State disability planning and evaluation, including MFR, State planning, and unit planning;
- Executive Assistant to the Secretary and Deputy Secretary (Executive Associate I); and
- Webmaster II (vacant but MDOD is currently recruiting) – develop and maintain MDOD’s web site and supporting user database.

The department should comment on its long-term vision and goals, including whether it intends to or is considering a policy to consolidate and administer the State’s disability programs in the future.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Department of Disabilities (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2004					
Legislative Appropriation	\$557	\$101	\$1,411	\$0	\$2,069
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	57	0	50	66	173
Cost Containment	0	0	0	0	0
Reversions and Cancellations	-3	-29	-33	-3	-68
Actual Expenditures	\$611	\$72	\$1,428	\$62	\$2,174
Fiscal 2005					
Legislative Appropriation	\$1,228	\$92	\$1,460	\$72	\$2,853
Budget Amendments	11	0	189	83	283
Working Appropriation	\$1,239	\$92	\$1,650	\$155	\$3,136

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

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Fiscal 2004

In fiscal 2004 MDOD spent \$105,000 more than was originally appropriated. Budget amendments increased its general fund appropriation by \$57,000 for two contractual positions, its federal fund appropriation by \$50,000 from the U.S. Department of Education for Disability and Business Technical Assistance Centers, and its reimbursable fund appropriation by \$66,000 for emergency response activities. These increases were offset by reversions and cancellations of \$68,000, mostly in special and federal funds due to staff turnover within TAP.

Fiscal 2005

In fiscal 2005 the working appropriation is \$283,000 greater than the legislative appropriation. Federal funds increased by \$189,000 to develop a Youth Information, Training, and Resource Center to provide leadership development activities and peer-to-peer mentoring (\$85,000) and to establish and operate Disability and Business Technical Assistance Centers to provide assistance with the Americans with Disabilities Act (\$104,000). Reimbursable funds increased by \$83,000 to develop emergency preparedness procedures for individuals with disabilities. Additional general funds cover the costs of the fiscal 2005 general salary increase for State employees.

**Object/Fund Difference Report
Department of Disabilities**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	15.00	21.00	26.00	5.00	23.8%
02 Contractual	4.00	5.40	4.20	-1.20	-22.2%
Total Positions	19.00	26.40	30.20	3.80	14.4%
Objects					
01 Salaries and Wages	\$ 887,970	\$ 1,416,880	\$ 1,812,409	\$ 395,529	27.9%
02 Technical & Spec Fees	204,791	295,675	192,541	-103,134	-34.9%
03 Communication	31,241	81,541	129,453	47,912	58.8%
04 Travel	33,841	96,159	77,978	-18,181	-18.9%
06 Fuel & Utilities	0	0	12,000	12,000	N/A
07 Motor Vehicles	2,532	24,714	32,406	7,692	31.1%
08 Contractual Services	325,143	324,315	6,764,374	6,440,059	1985.7%
09 Supplies & Materials	10,857	32,370	26,305	-6,065	-18.7%
10 Equip - Replacement	30,548	33,500	14,500	-19,000	-56.7%
11 Equip - Additional	16,631	39,791	6,800	-32,991	-82.9%
12 Grants, Subsidies, and Contributions	552,259	607,962	3,254,422	2,646,460	435.3%
13 Fixed Charges	77,808	182,981	208,970	25,989	14.2%
Total Objects	\$ 2,173,621	\$ 3,135,888	\$ 12,532,158	\$ 9,396,270	299.6%
Funds					
01 General Fund	\$ 611,325	\$ 1,239,183	\$ 1,347,547	\$ 108,364	8.7%
03 Special Fund	71,829	92,258	7,380,502	7,288,244	7899.9%
05 Federal Fund	1,427,983	1,649,565	3,714,591	2,065,026	125.2%
09 Reimbursable Fund	62,484	154,882	89,518	-65,364	-42.2%
Total Funds	\$ 2,173,621	\$ 3,135,888	\$ 12,532,158	\$ 9,396,270	299.6%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal Summary
Department of Disabilities**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
1100 Office for Individuals with Disabilities	\$ 673,809	\$ 1,382,015	\$ 1,362,065	-\$ 19,950	-1.4%
1130 Maryland Developmental Disabilities Council	1,023,023	1,110,854	1,129,519	18,665	1.7%
1160 Technology Assistance Program	476,789	643,019	3,209,812	2,566,793	399.2%
3000 Telecommunications Access of Maryland	0	0	6,830,762	6,830,762	
Total Expenditures	\$ 2,173,621	\$ 3,135,888	\$ 12,532,158	\$ 9,396,270	299.6%
General Fund	\$ 611,325	\$ 1,239,183	\$ 1,347,547	\$ 108,364	8.7%
Special Fund	71,829	92,258	7,380,502	7,288,244	7899.9%
Federal Fund	1,427,983	1,649,565	3,714,591	2,065,026	125.2%
Total Appropriations	\$ 2,111,137	\$ 2,981,006	\$ 12,442,640	\$ 9,461,634	317.4%
Reimbursable Fund	\$ 62,484	\$ 154,882	\$ 89,518	-\$ 65,364	-42.2%
Total Funds	\$ 2,173,621	\$ 3,135,888	\$ 12,532,158	\$ 9,396,270	299.6%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal 2006 Cost Containment Actions
As Submitted by the Agency
Estimated Fiscal 2006 Savings
Compared to Fiscal 2005**

<u>Cost Saving Action/ Efficiency Measure</u>	<u>Total Funds</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Positions Reduced</u>	<u>Impact of Action</u>
Reduction in communications	\$6,227	\$6,227	n/a	n/a	Fiscal 2005 request budgeted funds for a new phone system required due to the move and expansion of staff. Funds are not necessary for fiscal 2006.
Reduction in travel/training	6,723	6,723	n/a	n/a	Fiscal 2005 request budgeted funds for training of new staff and statewide travel to begin data collection/meetings with local individuals and advocates to begin to develop our first State Plan as required by statute. Now that relationships have been established and MDOD has a larger conference room, less travel is anticipated. All policy staff have received training on standards and indicators and further training in this area is not anticipated.
Reduction in equipment	20,926	20,926	n/a	n/a	Fiscal 2005 request budgeted funds for new furniture and computer equipment for new staff. All staff are now fully equipped and purchases are reduced to those required under our Information Technology Memorandum of Understanding with the Department of Business and Economic Development.
Reduction in fixed costs	15,201	15,201	n/a	n/a	Fiscal 2005 request for fixed costs were driven by estimates of rent costs. MDOD successfully negotiated a lease for somewhat less than estimated. Further, with an eye to cost containment, association dues budgeted in fiscal 2005 are not included in fiscal 2006.