

D12A02
Department of Disabilities

Operating Budget Data

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$1,224	\$2,534	\$2,975	\$441	17.4%
Special Fund	132	549	139	-410	-74.7%
Federal Fund	1,589	3,714	1,671	-2,043	-55.0%
Reimbursable Fund	<u>243</u>	<u>145</u>	<u>144</u>	<u>-1</u>	<u>-0.8%</u>
Total Funds	\$3,188	\$6,941	\$4,928	-\$2,014	-29.0%

- The fiscal 2007 allowance is \$2,013,854 lower than the working appropriation. This includes an increase in general funds of \$440,889, offset by decreases in special funds of \$410,444, federal funds of \$2,043,160, and reimbursable funds of \$1,139.
- The department received a one-time \$2.1 million federal grant in 2006 that will allow the Assistive Technology Guaranteed Loan Program to continue for 17 additional years and provide \$10 million more in guaranteed loans. The fiscal 2007 decrease in federal funds reflects the one-time fiscal 2006 grant. Special and general funds totaling \$520,000 were also associated with the grant and are not in the fiscal 2007 allowance. This includes \$445,000 in special funds provided by a private foundation and \$75,000 in State matching funds, used to win the federal grant in fiscal 2006, that are not needed in fiscal 2007.
- General funds increase by \$335,000 because 44 people from the waiting list are added to the Attendant Care Program.
- General funds increase by another \$100,000 because of a new initiative to ensure that State agency web sites are compliant with federal regulations for non-visual access.

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

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Personnel Data

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	21.00	24.00	25.00	1.00
Contractual FTEs	<u>5.40</u>	<u>4.20</u>	<u>3.50</u>	<u>-0.70</u>
Total Personnel	26.40	28.20	28.50	0.30

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.50	2.01%
Positions Vacant as of 12/31/05	1.00	4.17%

- The allowance proposes a new regular position and the reduction of 0.7 full-time equivalent (FTE) contractual employees. This results from the conversion of an employee, in the Technology Assistance Program, from contractual to regular. The 0.3 FTE discrepancy arises because the agency added 0.8 FTE, via budget amendment, and eliminated a Youth Empowerment Alliance Coordinator, which is 0.5 FTE.
- The department must keep 0.5 FTE positions vacant to meet its budgeted turnover of 2.01%. As of December 31, 2005, one position was vacant for 14 months resulting in a 4.17% vacancy rate. This position was transferred to the Maryland Department of Disabilities (MDOD) when the Office of Personal Assistance Services was transferred to MDOD from the Department of Human Resources (DHR). It was vacant at the time of transfer.

Analysis in Brief

Major Trends

The Maryland Department of Disabilities Developed Performance Measures for Three Previously Unmeasured Goals and Discontinued Measurement of One Goal: Upon transition to a new cabinet-level department, MDOD created new Managing for Results goals and objectives. During fiscal 2006, the department developed performance data for previously unmeasured goals.

Issues

Challenges Associated with Implementing the Maryland Department of Disabilities' Mandate: In fiscal 2005, the Office for Individuals with Disabilities was elevated to the cabinet-level MDOD. MDOD encountered several challenges in its first year of operation, such as operationalizing MDOD's mandate and interfacing with certain government units.

Future Direction of MDOD as an Oversight Agency or Program Administrator: Currently, MDOD works mainly as a partner with other State agencies to raise disability issues, instead of a direct program administrator. During fiscal 2006, the Office of Personal Services and the Attendant Care Program were transferred to MDOD from DHR. The transfer increased funding by \$1,174,924. This may represent a trend toward direct program administration. The department may lose some of its original focus if more directly administered programs become a part of its budget.

Recommended Actions

1. Concur with Governor's allowance.

D12A02 – Department of Disabilities

D12A02
Department of Disabilities

Operating Budget Analysis

Program Description

The Maryland Department of Disabilities (MDOD) was established by Chapter 425 of the Acts of 2004, 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 Attendant Care Program.

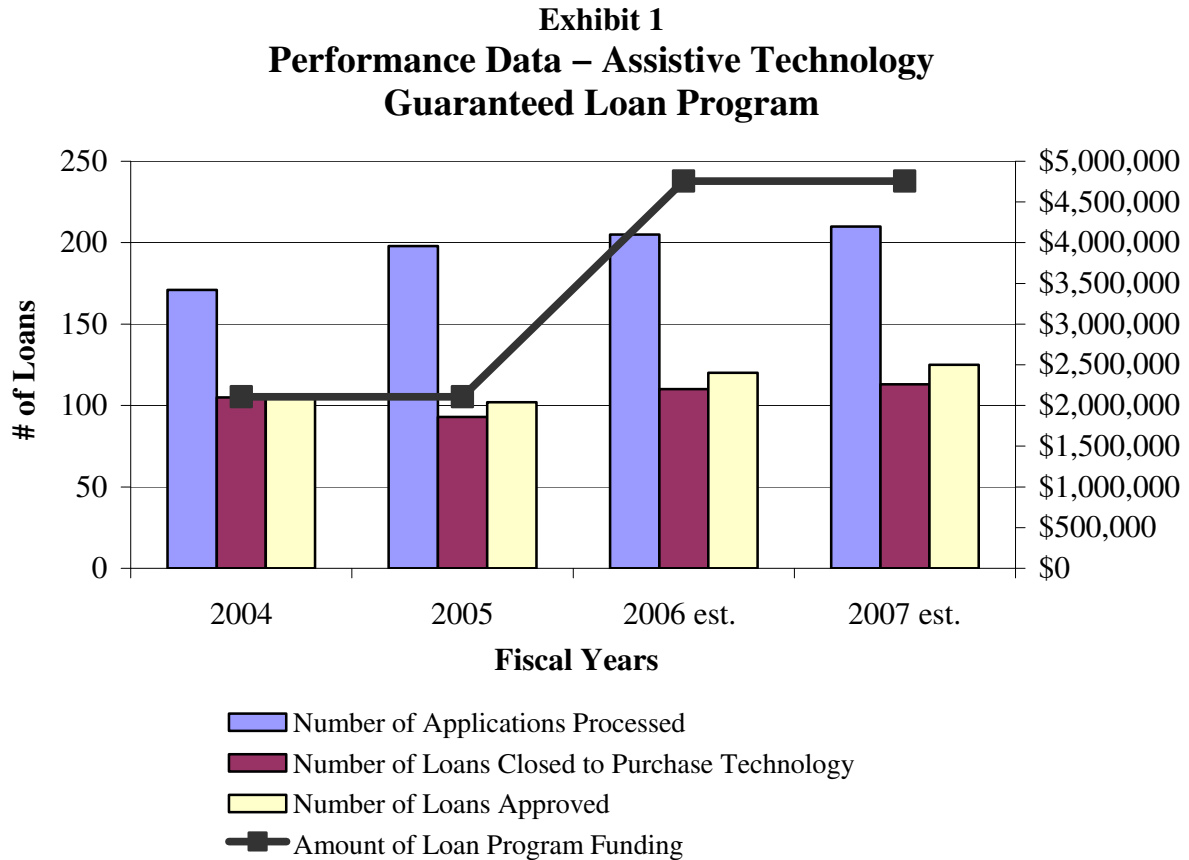
Performance Analysis: Managing for Results

During fiscal 2006, the Department of Disabilities created performance data for three previously unmeasured goals that include the following:

- Persons with disabilities have access to reliable transportation options.
- 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 integrated training and employment options in the community.

Along with the creation of new measures, the department decided to stop using the goal of making State services for people with disabilities more efficient, effective, and less expensive as a performance measure. **The department should comment on why this goal was stopped. The department should also explain how it plans to measure efficiency, effectiveness, and increased cost reductions in the absence of this goal.**

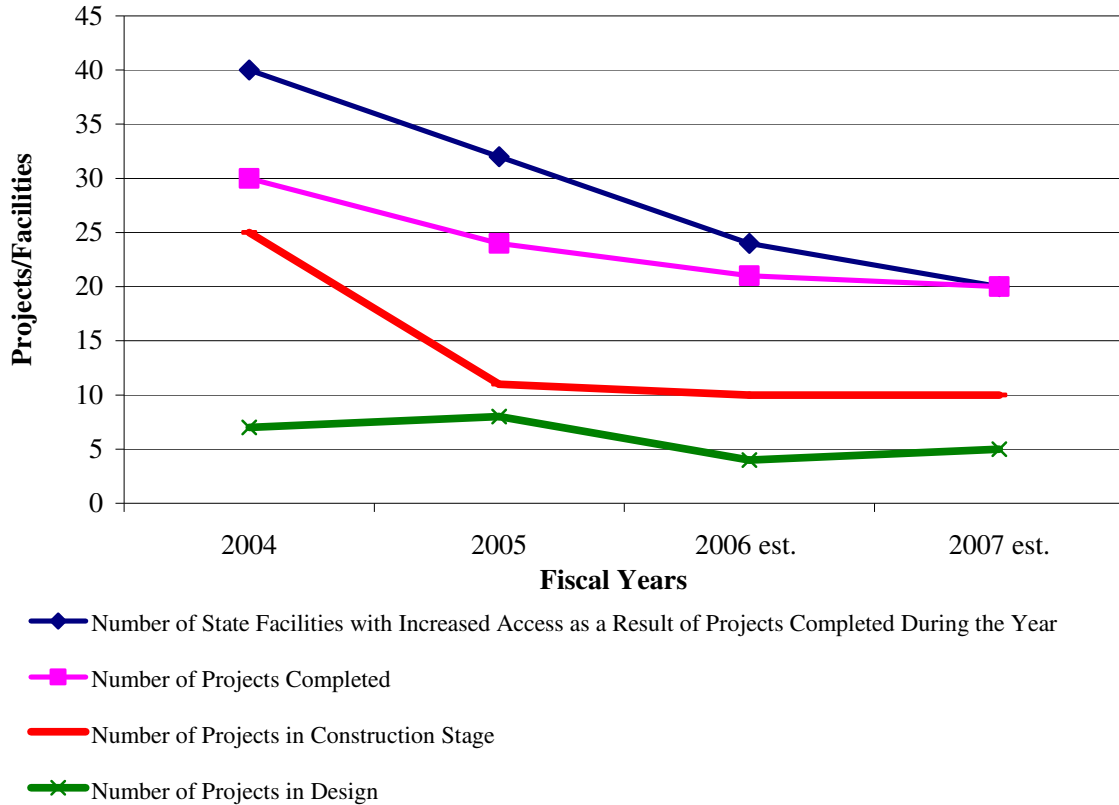
Exhibit 1 shows performance data for Assistive Technology Guaranteed Loan Program. The number of applications processed, loans approved, and loans closed grew in fiscal 2004 and 2005. Continued steady growth is expected. Program funding is expected to significantly increase in fiscal 2006. Most of the increase is attributable to a \$2.1 million grant from the U.S. Department of Education. The funding is held in a non-lapsing account used to guarantee assistive technology loans. While funding spiked immediately in fiscal 2006, the effects on applications, loans approved, and the purchase of technology will be realized at a slower pace.



Source: Maryland Department of Disabilities

Exhibit 2 shows performance data for the department’s Access Maryland Program, which ensures State facilities are accessible and universally designed. Due to limited capital funding, projects in the design stage remained flat in fiscal 2005 and are expected to decrease in fiscal 2006. Also, the projects undertaken tend to be of a larger size and scope. This will lead to a corresponding decrease in projects under construction and completed for fiscal 2006 and 2007.

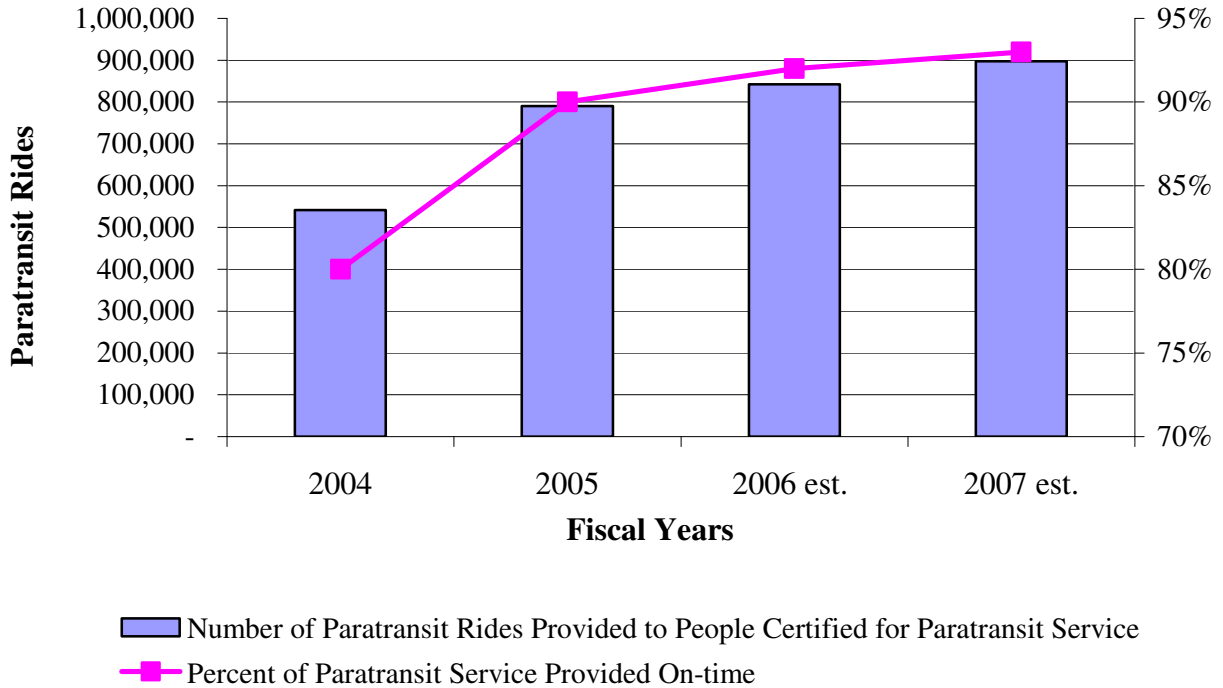
Exhibit 2
Performance Data – Access Maryland Program



Source: Maryland Department of Transportation

Exhibit 3 shows newly measured performance data for the goal of providing reliable transportation options for people with disabilities. The Maryland Department of Transportation provided almost 250,000 more paratransit rides in 2005 over 2004. The percent of on-time paratransit rides also increased from 80% in 2004 to 90% in 2005. The jump-in rides provided is attributable to increased vehicle procurement. Increases in the percentage of on-time rides may be attributable to increased competition between paratransit contractors and the Maryland Transit Administration’s (MTA) takeover of the ride control center. MDOD works with MTA to raise awareness of transportation issues that affect people with disabilities. MDOD expects rides and the on-time percentage to continue to steadily increase.

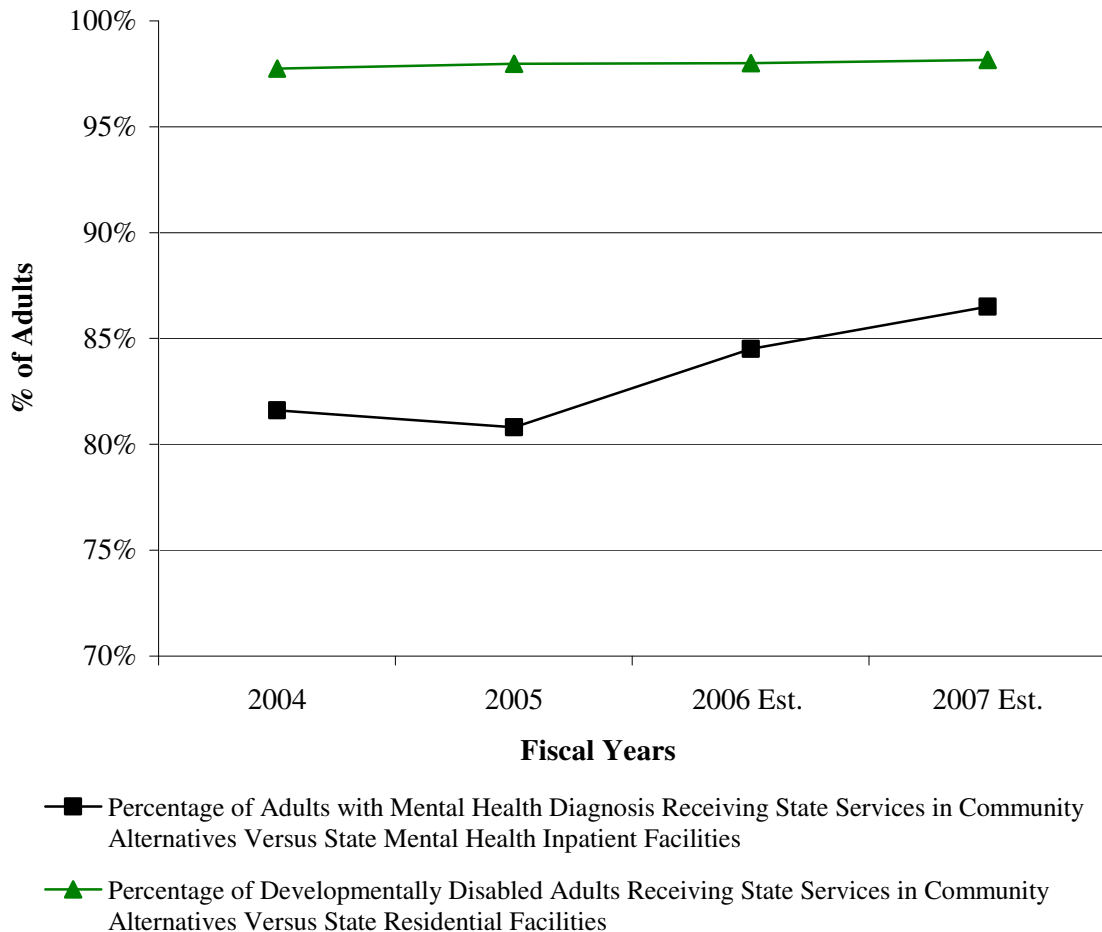
**Exhibit 3
Performance Data Goal – to Ensure Reliable
Transportation Options for the Disabled**



Source: Department of Disabilities

Exhibit 4 shows newly measured performance data for the goal of providing community-based long-term services for the disabled. The percentage of adults with developmental disabilities and adults with a mental health diagnosis receiving services in community-based alternatives remained steady from 2004 to 2005. MDOD expects the adults with a mental health diagnosis receiving State services in community alternatives to increase in 2006 and 2007. This may be attributable to the department’s requirement for responsible agencies to submit plans by July 1, 2006, to promote community integration of the disabled and new initiatives within the Mental Hygiene Administration. The percentage of developmentally disabled receiving treatments in community alternatives is expected to slightly increase.

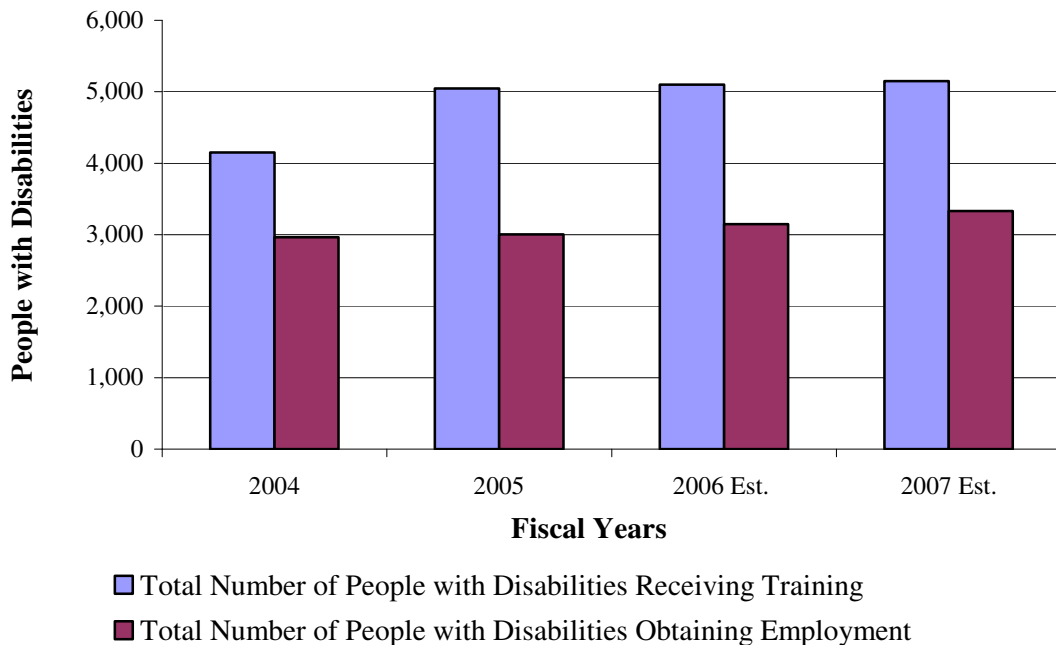
**Exhibit 4
Performance Data – Department Goal to Provide
Community-based Long-term Services for the Disabled**



Source: Department of Health and Mental Hygiene

Exhibit 5 shows newly measured performance data for the goal of ensuring integrated training and employment options for people with disabilities. Almost 900 more people with disabilities received employment training through the Division of Rehabilitation Services in fiscal 2005 than in fiscal 2004. MDOD expects the number of people receiving training will remain flat in 2006 and 2007. In 2005, 42 more people with disabilities obtained employment after receiving training from the Division of Rehabilitation Services. MDOD expects the number of people with disabilities gaining employment will increase steadily in 2006 and 2007.

Exhibit 5
Performance Data – Goal to Ensure Access to
Integrated Training and Employment Options for the Disabled



Source: Maryland State Department of Education

Governor’s Proposed Budget

Major changes in the Governor’s proposed budget are shown in **Exhibit 6**. The most significant change arises from the absence of a one-time federal grant for the Assistive Technology Guarantee Loan Program worth \$2.133 million. There is also \$445,000 in special funds and \$75,000 in general funds which were associated with the grant that are not in the fiscal 2007 allowance. Other major changes include \$335,000 to add 44 people to the Attendant Care Program and \$100,000 to make State agency web sites compliant with federal regulations for non-visual access. One new position, which is a contractual conversion, accounts for \$75,000 in personnel expenses. The total change is a decrease of \$2.014 million.

**Exhibit 6
Governor's Proposed Budget
Department of Disabilities
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimburs able Fund</u>	<u>Total</u>
2006 Working Appropriation	\$2,534	\$549	\$3,714	\$145	\$6,941
2007 Governor's Allowance	<u>2,975</u>	<u>139</u>	<u>1,671</u>	<u>144</u>	<u>4,928</u>
Amount Change	\$441	-\$410	-\$2,043	-\$1	-\$2,014
Percent Change	17.4%	-74.7%	-55.0%	-0.8%	-29.0%

Where It Goes:

Personnel Expenses

One contractual conversion in the Technology Assistance Program.....	\$23
Increments and other compensation	36
Employee and retirement healthcare including increase to cover under-budgeted amount from fiscal 2006.....	67
Employee retirement system.....	16
Turnover and other adjustments	-24

Office of Individuals with Disabilities

In-state outreach conferences that target the disabled community	11
Staff training in best practices and disability policy	6
New copy machine to handle increased department workload.....	5
Developmental Disabilities Council and Governor's Office for the Deaf and Hard of Hearing will partially fund rent in fiscal 2007, which they did not do in fiscal 2006 because of delays associated with MDOD's relocation	-12

Attendant Care Program/Office of Personal Services

Addition of 44 people to the Attendant Care Program	335
Increase in consultant services to develop recommendations to improve service operations and service integration	15
Other operating expenses.....	-8

D12A02 – Department of Disabilities

Maryland Developmental Disabilities Council

Youth Empowerment Alliance Coordinator (0.5 FTE) was eliminated and the position's responsibilities were transferred to a Project Director at a higher salary	4
Several initiatives are now being conducted by council staff instead of subcontracting the work to other organizations	-16

Technology Assistance Program

Initiative to make State web sites compliant with federal regulations for non-visual access	100
Expansion of Assistive Technology Demonstration Program – federal funds.....	124
Miscellaneous grants	10
Purchase of equipment for the Technology Assistance Program's assistive technology centers.....	8
Other	3
Federal grants for the disability and business technical centers will be discontinued in fiscal 2007.....	-5
Budget reduced to more accurately reflect amount needed for interpreters, drivers, and the office network contract	-8
Decrease in printing to more closely match actual expenses over past two years.....	-10
MDOD staff are not undertaking web site development	-30
Absence of non-federal funds associated with federal grant to the Assistive Technology Guaranteed Loan Program.....	-520
Absence of one-time federal grant awarded in fiscal 2006 to the Assistive Technology Guaranteed Loan Program.....	-2,133

Other Changes

Increase in the approved indirect cost recovery rate.....	14
Other operating expenses.....	-24

Total **-\$2,013**

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

Issues

1. Challenges Associated with Implementing the Maryland Department of Disabilities' Mandate

Background

The Office for Individuals with Disabilities (OID) was elevated into the cabinet-level MDOD in fiscal 2005. 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, this included:

- 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

Challenges Operationalizing MDOD's Statutory Mandate

According to MDOD's 2005 Annual State Progress Analysis, the department has encountered several challenges to implementing its mandate. First, the department faced problems in operationalizing specific requirements of MDOD's statutory charge. For example, MDOD is responsible with reviewing all regulations which primarily affect people with disabilities prior to public notification. According to the 2005 analysis, State agencies' compliance with this requirement is varied. MDOD says that it has and will implement measures to hold agencies accountable for complying with MDOD's mandate. **The department should discuss measures already in place and measures that are planned to ensure agency compliance with MDOD's mandates. MDOD should also discuss which mandates the department is having difficulty operationalizing.**

Challenges Interfacing with Certain Units of Government

Fundamentally, the purpose of MDOD is to act as an advocate within the system for people with disabilities. This means the department needs to create meaningful partnerships with other State agencies to be effective. According to the 2005 analysis, some agencies have not recognized MDOD's oversight role. To overcome this challenge, MDOD has created an on-line project management tool accessible to all units of State government. Also, MDOD plans to increase work groups and partnerships with other State agencies. The department says that it will hold units of government accountable for consumer-driven outcomes. **MDOD should discuss the ways it plans to measure whether State agencies are ensuring consumer-driven outcomes. Also, the department should discuss the progress in creating partnerships and work groups.**

2. Future Direction of MDOD as an Oversight Agency or Program Administrator

The Department of Disabilities created new goals upon elevation to a cabinet level department in 2005. These goals included the following:

- The department coordinates State services for people with disabilities to make them more efficient, 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.
- 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, and excel in school; live in safe and accessible homes; enjoy independent transportation; and gain greater access to their communities.

For the most part, MDOD relies on other agencies to meet these goals. For example, to create reliable transportation options, MDOD created a partnership with the Maryland Department of Transportation (MDOT) where MDOD staff work closely with MDOT to raise disability issues. Recently, there has been a slight shift away from this model to more direct program administration.

The transfer of the Attendant Care Program is too small to drastically alter MDOD's activities. However, adding more programs in the future for MDOD to directly administer may alter the department's original mandate. MDOD may find it more difficult to act as an advocate to raise and coordinate disability issues among State agencies, if many of the issues are in programs within the department. **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 more of the State's disability programs. Included in this discussion, should be commentary about benefits and costs of program consolidation.**

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 2005					
Legislative Appropriation	\$1,228	\$92	\$1,460	\$72	\$2,853
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	11	50	189	183	433
Reversions and Cancellations	-16	-11	-60	-12	-99
Actual Expenditures	\$1,224	\$132	\$1,589	\$243	\$3,188
Fiscal 2006					
Legislative Appropriation	\$1,346	\$549	\$3,714	\$89	\$5,698
Budget Amendments	1,188	0	0	55	1,244
Working Appropriation	\$2,534	\$549	\$3,714	\$144	\$6,942

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

Note: The 2006 Working Appropriation includes pending budget amendment in reimbursable funds.

Fiscal 2005

Actual expenditures were \$335,122 more than the legislative appropriation. General funds were \$4,550 less than the legislative appropriation. This includes a cost-of-living increase of \$10,998 that was offset by \$15,548 in unspent general funds for departmental support and the Metropolitan Washington Ear nonprofit organization.

An increase in special funds of \$50,000, made available through a grant from Anne Arundel County Public Schools, was used to create an after-school program for middle-school-aged children with significant disabilities. Approximately \$11,000 in special funds was not spent by the end of the fiscal year. The unspent funds occurred because of reduced staffing levels in the Maryland Technology Assistance Program.

MDOD received federal grants worth \$189,128, via budget amendments. The U.S. Department of Education provided \$104,128 to establish Disability and Business Technical Centers, while the U.S. Department of Health and Human Services provided \$85,000 to create a Youth Information, Training and Resource Center for youth and young adults with developmental disabilities. Unspent federal funds equaled \$60,376 in the Maryland Technology Assistance Program.

Reimbursable funds increased by \$183,264, via budget amendments. This includes \$54,311 to provide grants for various programs supporting the disabled that educate about self-advocacy, recruit foreign workers, create a statewide affordable housing policy, and hold a disabled persons summit. The remaining \$128,953 was used for programs within other agencies which provide training, education, and emergency preparedness planning for the disabled and individuals working with the disabled. MDOD enters into Memorandums of Understanding to provide these services for other State agencies. Approximately \$12,000 in reimbursable funds was deferred until the next fiscal year.

Fiscal 2006

The fiscal 2006 working appropriation is \$1,187,785 greater than the legislative appropriation. A cost-of-living adjustment increased general funds by \$12,861. General funds were also increased by \$1,174,924 to transfer the Office of Personal Services and Attendant Care Program from the Department of Human Resources to the Department of Disabilities.

Audit Findings

Audit Period for Last Audit:	January 15, 2003 – June 30, 2004
Issue Date:	November 2005
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	%
Rating: (if applicable)	n/a

The audit did not disclose any significant deficiencies in the design or operation of the board's internal control or any significant instances of noncompliance with applicable laws, rules, or regulations.

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

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	21.00	24.00	25.00	1.00	4.2%
02 Contractual	5.40	4.20	3.50	-0.70	-16.7%
Total Positions	26.40	28.20	28.50	0.30	1.1%
Objects					
01 Salaries and Wages	\$ 1,418,678	\$ 1,766,041	\$ 1,936,423	\$ 170,382	9.6%
02 Technical & Spec Fees	240,682	236,683	184,184	-52,499	-22.2%
03 Communication	44,286	61,658	65,642	3,984	6.5%
04 Travel	28,809	74,912	75,693	781	1.0%
06 Fuel & Utilities	10,492	12,000	14,352	2,352	19.6%
07 Motor Vehicles	30,649	31,321	36,700	5,379	17.2%
08 Contractual Services	332,261	379,209	399,067	19,858	5.2%
09 Supplies & Materials	49,295	22,705	25,271	2,566	11.3%
10 Equip - Replacement	17,928	12,726	9,655	-3,071	-24.1%
11 Equip - Additional	40,559	6,800	13,800	7,000	102.9%
12 Grants, Subsidies, and Contributions	822,353	4,161,626	1,989,164	-2,172,462	-52.2%
13 Fixed Charges	151,939	175,769	177,645	1,876	1.1%
Total Objects	\$ 3,187,931	\$ 6,941,450	\$ 4,927,596	-\$ 2,013,854	-29.0%
Funds					
01 General Fund	\$ 1,223,634	\$ 2,533,781	\$ 2,974,670	\$ 440,889	17.4%
03 Special Fund	131,756	549,149	138,705	-410,444	-74.7%
05 Federal Fund	1,589,188	3,713,759	1,670,599	-2,043,160	-55.0%
09 Reimbursable Fund	243,353	144,761	143,622	-1,139	-0.8%
Total Funds	\$ 3,187,931	\$ 6,941,450	\$ 4,927,596	-\$ 2,013,854	-29.0%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.

**Fiscal Summary
Department of Disabilities**

<u>Program/Unit</u>	<u>FY05 Actual</u>	<u>FY06 Wrk Approp</u>	<u>FY07 Allowance</u>	<u>Change</u>	<u>FY06 - FY07 % Change</u>
1100 Office For Individuals With Disabilities	\$ 1,404,149	\$ 1,417,618	\$ 1,471,615	\$ 53,997	3.8%
1101 Attendant Care Program	0	1,174,924	1,536,677	361,753	30.8%
1130 Maryland Developmental Disabilities Council	1,224,432	1,128,925	1,124,965	-3,960	-0.4%
1160 Technology Assistance Program	559,350	3,219,983	794,339	-2,425,644	-75.3%
Total Expenditures	\$ 3,187,931	\$ 6,941,450	\$ 4,927,596	-\$ 2,013,854	-29.0%
General Fund	\$ 1,223,634	\$ 2,533,781	\$ 2,974,670	\$ 440,889	17.4%
Special Fund	131,756	549,149	138,705	-410,444	-74.7%
Federal Fund	1,589,188	3,713,759	1,670,599	-2,043,160	-55.0%
Total Appropriations	\$ 2,944,578	\$ 6,796,689	\$ 4,783,974	-\$ 2,012,715	-29.6%
Reimbursable Fund	\$ 243,353	\$ 144,761	\$ 143,622	-\$ 1,139	-0.8%
Total Funds	\$ 3,187,931	\$ 6,941,450	\$ 4,927,596	-\$ 2,013,854	-29.0%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.