

D12A02
Department of Disabilities

Operating Budget Data

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,727	\$2,890	\$3,036	\$146	5.1%
Special Fund	179	198	197	-1	-0.3%
Federal Fund	1,691	1,413	1,481	68	4.8%
Reimbursable Fund	<u>841</u>	<u>430</u>	<u>158</u>	<u>-272</u>	<u>-63.3%</u>
Total Funds	\$5,439	\$4,931	\$4,872	-\$58	-1.2%

- A federal fund deficiency appropriation of \$60,000 for the Technology Assistance Program is proposed for fiscal 2008.
- The fiscal 2009 allowance decreases the overall budget of the Maryland Department of Disabilities (MDOD) by \$58,322, or 1.2%, compared to fiscal 2008. Two fund types increase. General funds increase by \$146,032, or 5.1%. Federal funds also increase by a similar percentage, 4.8%, or \$68,268. Two other fund types decrease. Special funds decrease by \$612, or 0.3%. Reimbursable funds decrease by \$272,010, or 63.3%.
- The underlying fiscal 2009 budget change for MDOD, absent health insurance and Other Post Employment Benefits funding which distorts year-to-year comparisons, is a decrease of \$211,493, or 4.5%.

Personnel Data

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>
Regular Positions	25.00	25.00	26.00	1.00
Contractual FTEs	<u>5.00</u>	<u>4.00</u>	<u>3.00</u>	<u>-1.00</u>
Total Personnel	30.00	29.00	29.00	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.76	2.91%
Positions Vacant as of 1/1/08	1.25	5.00%

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

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- The fiscal 2009 allowance includes one new regular position for a Director of Communications.
- The fiscal 2009 allowance eliminates one full-time equivalent (FTE) contractual position from the working appropriation. MDOD advised that there was one additional contractual position eliminated that is not reflected in the position count because it was part of a reimbursable fund project.
- As of January 1, 2008, the department had 1.25 vacancies for a vacancy rate of 5.0%. In fiscal 2009, the department must keep 0.76 FTE positions vacant to meet its budgeted turnover rate of 2.91%.

Analysis in Brief

Major Trends

Assistive Technology Guaranteed Loan Program: Despite recent declines in the number of individuals served with the Assistive Technology Guaranteed Loan Program, MDOD expects to serve more individuals in fiscal 2008 and 2009.

Department of Disabilities Continues to Serve More Individuals with Disabilities: MDOD, with only a few exceptions, has experienced an increasing trend of the number of persons served by the Technology Assistance, Constituent Services, and Attendant Care programs in recent years.

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) is the principal State agency responsible for developing, maintaining, revising, and enforcing statewide disabilities policies and standards throughout the units of State government. MDOD works to increase the capacity of Maryland communities to provide services in inclusive settings, create a citizen-centered delivery system which allows consumers to make a meaningful choice and maintain control of their lives, to infuse the service delivery system with elevated expectations about the capacities of individuals with disabilities, to incorporate accessible and universal design into communities and technologies, and to construct a seamless, responsive, and coordinated service delivery system. As part of this work, MDOD directs the development and implementation of the Statewide Disability Plan.

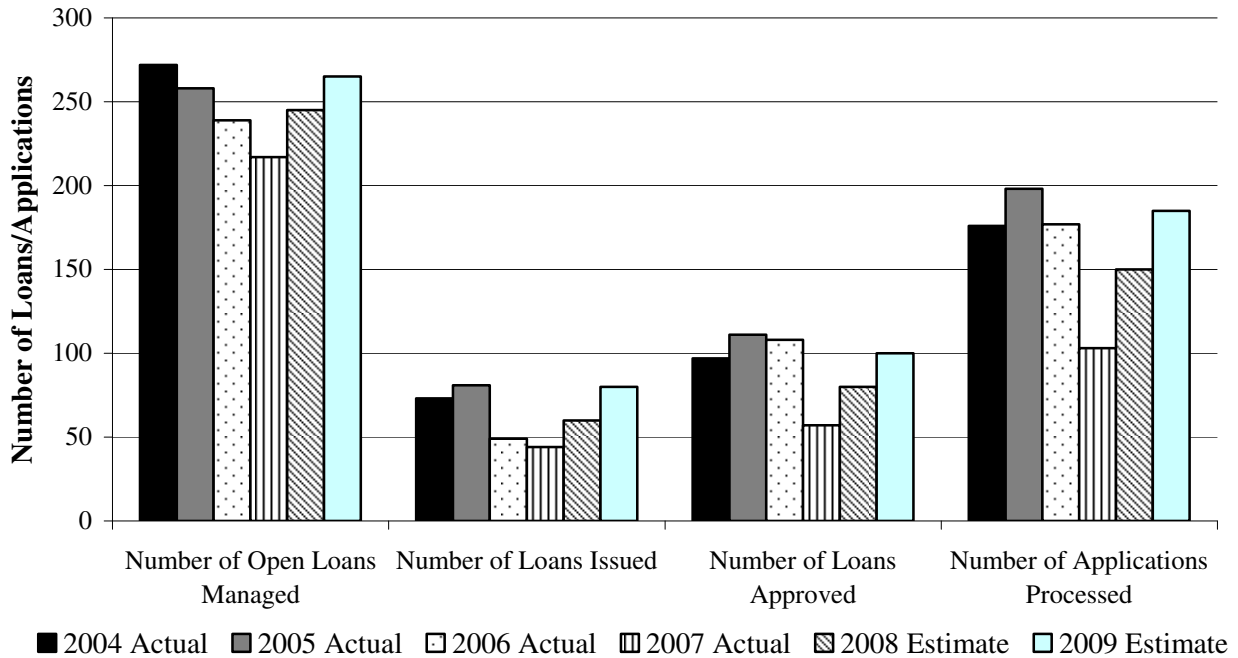
The department also provides expertise on the law and State compliance issues. In addition, MDOD administers the following programs:

- ***Constituent Services Program:*** which provides information, referrals, resource listings, and access assistance to individuals with disabilities, their families, and their caregivers.
- ***Attendant Care Program:*** which provides financial reimbursement for eligible individuals with chronic or severe physical disabilities who require attendant services.
- ***Maryland Technology Assistance Program (MD TAP):*** which provides technical assistance statewide for individuals with disabilities, making disability-related technology more readily available.
- ***Access Maryland Program:*** which brings State-owned facilities into compliance with State and federal access requirements for people with disabilities.

Performance Analysis: Managing for Results

The Assistive Technology Guaranteed Loan Program (ATGLP) helps persons with disabilities to acquire assistive technology as part of MD TAP. **Exhibit 1** shows performance data for this program. Between fiscal 2006 and 2007, the number of applications processed, and loans approved, issued, and managed decreased. The number of open loans managed has been on a downward trend since fiscal 2004. MDOD indicates that in fiscal 2008 steps are being taken to address factors leading to recent declines. One example of the planned actions includes the approval by the ATGLP board to buy down the interest rates on loans in fiscal 2008, which helps to make loans more affordable by subsidizing the difference between the current interest rate and the rate approved for the loan. Other

**Exhibit 1
Assistive Technology Guaranteed Loan Program
Fiscal 2004-2009**

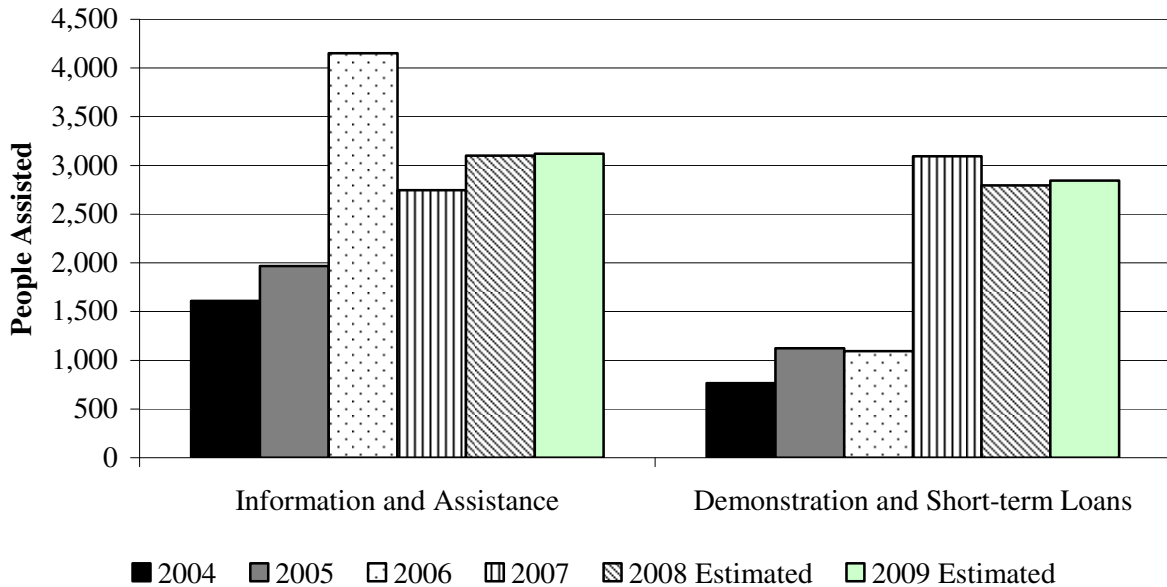


Source: Maryland Department of Disabilities

corrective actions include developing a marketing and outreach plan, creating a part-time marketing position for this program, and changes to loans for modifications of vehicles. All four measures are projected to increase in fiscal 2008 and 2009. **The department should comment on whether year to date applications processed, and loans approved, issued, and managed have increased over fiscal 2007.**

MD TAP not only provides loans for the purchase of assistive technology, but it provides several other types of assistance relating to assistive technology. **Exhibit 2** shows the number of persons served with information and assistance and with demonstration and short-term loans of assistive technology provided by MD TAP. The number of persons receiving information and assistance more than doubled between fiscal 2005 and 2006 largely related to an increase in the Western Maryland center. However, there has been a substantial decrease in the number of persons receiving information and assistance from 4,151 in fiscal 2006 to 2,746 in 2007. The numbers are expected to increase in fiscal 2008 and 2009.

**Exhibit 2
Technology Assistance Program
Fiscal 2004-2009**

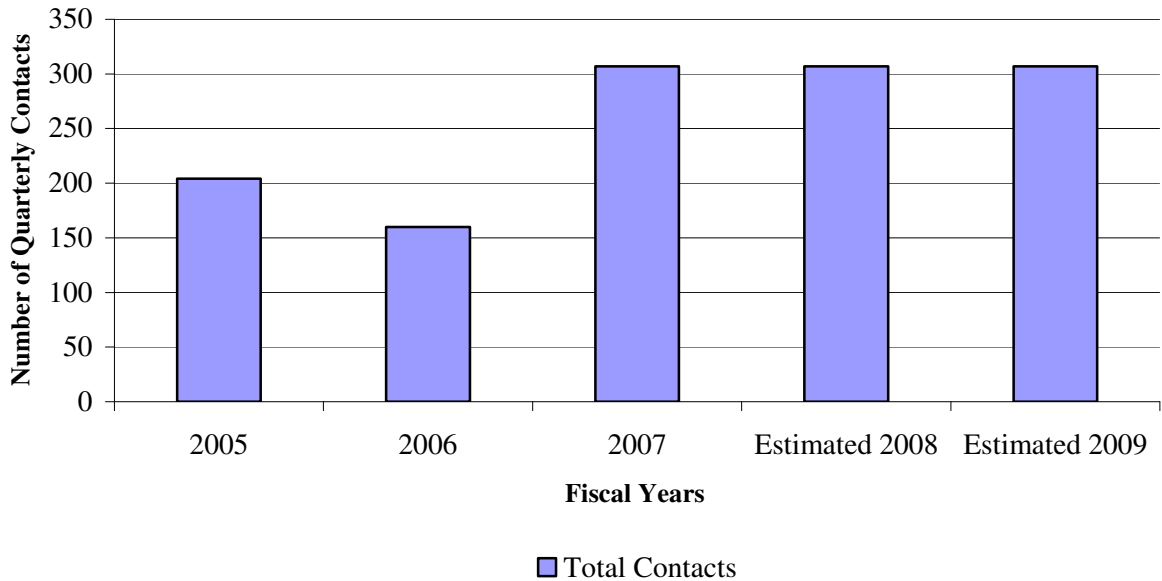


Source: Maryland Department of Disabilities

As seen in Exhibit 2, the number of persons receiving demonstration and short-term loans more than doubled from 1,095 in fiscal 2006 to 3,095 in fiscal 2007. The number of persons receiving this type of assistance is expected to decline in fiscal 2008 but increase again in fiscal 2009. MD TAP indicates several factors have contributed to the increase in the demonstration and short-term loan program, particularly recent purchases of equipment which have increased the available equipment and increasing public awareness of assistive technologies.

MDOD provides information and assistance to individuals regarding various types of services through its Constituent Services Program. **Exhibit 3** provides information on the number of persons served through this program in a typical quarter. The quarter used to make this determination varies between fiscal years. After a decline in the typical total quarterly contacts through this program between fiscal 2005 and 2006, the total number of contacts nearly doubled in fiscal 2007 to 307. The number of quarterly contacts is expected to hold steady at this level through fiscal 2009. **The department should comment on the status of the implementation process of the new data tracking system. The department should also comment on the availability of full year data for this program in future years.**

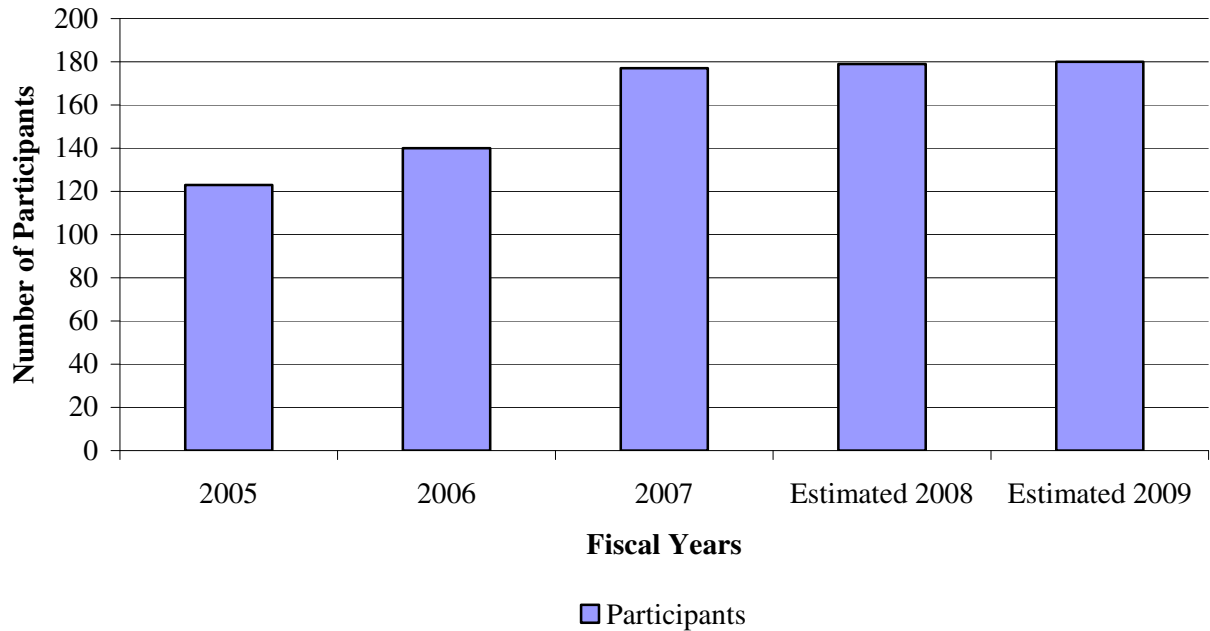
Exhibit 3
Constituent Services Program
Fiscal 2005-2009



Source: Maryland Department of Disabilities

MDOD operates a program, the Attendant Care Program, which provides financial reimbursement to eligible individuals between 18 and 64 years of age, with severe chronic or permanent physical disabilities so they can meet their attendant care service needs. The goal is to supplement the cost of this care and to support and encourage participants to seek employment, remain employed, enroll in post secondary education, or transition from or avoid a nursing home placement. **Exhibit 4** shows the number of participants in this program by year. The number of participants in this program steadily increased from 123 in fiscal 2005 to 177 in fiscal 2007. The number of participants remains relatively stable through fiscal 2009.

Exhibit 4
Attendant Care Program
Fiscal 2005-2009



Source: Maryland Department of Disabilities

In addition to the programs run by MDOD, the department also serves a coordinating role with other State agencies. As part of its responsibilities, MDOD worked with the Department of Budget and Management, as well as other State government units, to gather performance measures on services to individuals with disabilities in five areas: community integration, transportation, employment and training, housing, and technology and accessibility. Traditionally, MDOD has included these performance measures as part of the Managing for Results submission. **Exhibit 5** shows the goals, objectives, and agencies responsible for these measures.

Exhibit 5
Maryland Department of Disabilities
Goals and Objectives 2 through 5

Objectives

Responsible Agencies

Goal 2: Persons with disabilities have access to community-based, self-directed long-term services that enable them to live in the community.

2.1 Increase the proportion of individuals with disabilities receiving state services in community alternatives instead of nursing facilities and other State facilities

DHMH – Medical Care Program
DHMH – Mental Hygiene Administration
DHMH – Developmental Disabilities Administration

Goal 3: Persons with disabilities have access to reliable transportation options.

3.1 Increase the level of service and performance provided to paratransit customers

MDOT – MTA
MDOT – WMATA

3.2 Increase use of fixed route transportation by people with disabilities

MDOT – MTA
MDOT – WMATA

Goal 4: Persons with disabilities have access to integrated training and employment options in the community.

4.1 Increase the number of people with disabilities receiving employment training or services

MSDE – DORS
DLLR – Division of Workforce Development
DHMH – Mental Hygiene Administration
DHMH – Developmental Disabilities Administration

4.2 Increase the number of people with disabilities achieving integrated employment outcomes

MSDE – DORS
DLLR – Division of Workforce Development

Goal 5: Persons with disabilities will have access to affordable, accessible housing in communities of their choosing.

5.1 Continue the Bridge Subsidy Demonstration Program

Department of Housing and Community Development-
Community Development Administration

DHMH: Department of Health and Mental Hygiene
DLLR: Department of Labor, Licensing and Regulation
DORS: Division of Rehabilitation Services
MDOT: Maryland Department of Transportation
MSDE: Maryland State Department of Education
MTA: Maryland Transit Administration
WMATA: Washington Metropolitan Area Transit Authority

Source: Maryland Department of Disabilities; Governor’s Budget Books, Fiscal 2009

Fiscal 2008 Actions

Proposed Deficiency

A federal fund deficiency appropriation of \$60,000 for fiscal 2008 has been proposed for MDOD as a result of a new federal grant. This funding will be used to purchase new assistive technology to be used in the demonstration and short-term loan program and develop an assistive technology computer training lab.

Governor's Proposed Budget

As shown in **Exhibit 6**, the fiscal 2009 allowance decreases the MDOD budget by \$58,322, or 1.2%. General funds increase by \$146,032, or 5.1%, and federal funds increase by \$68,268, or 4.8%. Special funds remain relatively stable with a decrease of \$612, or 0.3%. The reimbursable funds decrease by \$272,010, or 63.3%. The major changes in the budget are related to personnel and the end of reimbursable agreements and federal contracts.

Personnel

The fiscal 2009 allowance adds one new position to MDOD. This position is for a Director of Communications. The responsibilities of the new position will be to develop and execute public relations strategies. MDOD has previously been able to fill this role through borrowing services and resources from other agencies but does not expect to be able to continue to do so. The new position accounts for an increase of \$97,435 in the fiscal 2009 allowance.

The other major personnel related changes occur among health insurance costs. An increase of \$93,879 in the fiscal 2009 allowance is the result of the new category for Other Post Employment Benefits. Employee and retiree health insurance also increases in the allowance by \$48,952. In fiscal 2008 retiree health insurance was paid for out of health savings from previous years. As a result, retiree health insurance was not included in the allowance for fiscal 2008. In fiscal 2009, the cost of retiree health insurance is included in the allowance.

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>Reimb. Fund</u>	<u>Total</u>
2008 Working Appropriation	\$2,890	\$198	\$1,413	\$430	\$4,931
2009 Governor’s Allowance	<u>3,036</u>	<u>197</u>	<u>1,481</u>	<u>158</u>	<u>4,872</u>
Amount Change	\$146	-\$1	\$68	-\$272	-\$58
Percent Change	5.1%	-0.3%	4.8%	-63.3%	-1.2%

Where It Goes:

Personnel Expenses

New Director of Communications position.....	\$97
Health insurance – Other Post Employment Benefits	94
Health insurance – pay-as-you-go	49
Increments	26
Other fringe benefit adjustments	2
Increase turnover rate from 1.97% to 2.91%	-16
Salary adjustments.....	-45

Other Changes

Grants to nongovernmental entities for assistive technology	42
Increase in indirect costs of federal programs	33
Contractual services for the Maryland Technology Assistance Program.....	27
Costs to maintain information technology service	24
Internship stipends.....	5
Communications.....	3
Transferring of vehicle to another department	-3
Rent.....	-15
Reductions in travel and office equipment	-39
Decrease in cost for payroll for contractual positions	-120
Decreases in contracts and grants supported by federal grants and reimbursable fund agreements.....	-220
Other changes	-2

Total **-\$58**

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

Decreases in Contracts and Grants

Several decreases in the fiscal 2009 allowance were the result of contracts and grant payments which were supported by reimbursable fund agreements and federal grants.

Decreases of approximately \$60,000, for one contractual position, and \$30,000, for grant payments, were related to the end of the federal grant for the Youth Empowerment Alliance held by the Developmental Disabilities Council. An additional decrease in grants payments of approximately \$13,000 was the result of reimbursable funds available to the Developmental Disabilities Council in fiscal 2008.

A decrease of \$58,000 for one contractual position is associated with a one-year reimbursable fund agreement with DHMH for the Employed Individuals with Disabilities Program.

A decrease in contractual services of \$177,600 was the result of the end of various emergency preparedness projects with DHMH and MEMA.

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 2007					
Legislative Appropriation	\$2,975	\$139	\$1,671	\$144	\$4,928
Deficiency Appropriation	0	0	43	0	43
Budget Amendments	-9	102	0	751	845
Reversions and Cancellations	-239	-62	-22	-54	-376
Actual Expenditures	\$2,727	\$179	\$1,691	\$841	\$5,439
Fiscal 2008					
Legislative Appropriation	\$2,867	\$197	\$1,413	\$146	\$4,623
Cost Containment	0	0	0	0	0
Budget Amendments	23	1	0	284	308
Working Appropriation	\$2,890	\$198	\$1,413	\$430	\$4,931

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

Fiscal 2007

The general funds appropriation for MDOD decreased by \$8,835 in fiscal 2007. The general funds increased by \$21,457, primarily from the employee cost-of-living adjustment (COLA) (\$17,924). There was also a small increase due to a realignment of funds for telecommunications expenditures. These increases were more than offset by decreases totaling \$30,092. Most of this decrease was due to cost containment measures, \$30,037. A small decrease resulted from costs of a statewide salary study. MDOD also reverted approximately \$238,958 due to higher than expected vacancies, the Governor's expenditure reduction initiative, and delays in program expansion.

Overall, the special funds appropriation increased by \$102,295 over the fiscal 2007 legislative appropriation. Most of this increase (\$101,080) was related to the Assistive Technology Guaranteed Loan Fund. The remaining increase was due to the COLA. MDOD cancelled approximately \$61,671 because of the timing of program expansion.

The federal funds appropriation increased, by \$42,751, through a deficiency appropriation to support MD TAP. This was the result of funding that became available after the passage of the fiscal 2007 budget and funds from grants in previous years. MDOD cancelled approximately \$22,000 related to unspent funds related to timing which were disbursed in fiscal 2008.

Reimbursable funds increased by \$751,329 over the fiscal 2007 legislative appropriation. The majority of this money was related to emergency preparedness. An increase totaling \$512,652 related to emergency preparedness activities. Two increases were related to Memoranda of Understanding (MOU) with the Maryland Emergency Management Agency (MEMA) and DHMH which were primarily used to fund several contracts with the Disabilities Preparedness Center in Washington, DC. This contract was to enhance communications with the disabilities community through work with several planning groups. Two additional increases, the result of MOUs with DHMH, involved partnerships with the Disabilities Preparedness Center focused on providing education, training, and preparation of State Residential Centers and local agencies to respond to terrorism. One other increase was to provide funds to obtain consulting related to employment outcomes accounted for \$137,177, funded through MOUs with DHMH.

The remaining reimbursable funds were used to:

- provide assistance to the Department of Budget and Management related to the Nonvisual Access Standards;
- oversee research and evaluation of a pilot designed to increase graduation and transfers to four year universities from community colleges for students with learning disabilities and assist with implementation;
- use some unspent funds from a cancelled subgrant for a new grant related to child care for children with disabilities in Wicomico County;

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- fund subgrants for mentorship programs for youth with developmental disabilities as part of the Youth Empowerment Alliance; and
- support outreach efforts for emergency preparedness training for individuals with disabilities.

There were cancellations of approximately \$53,766 related to lower than anticipated costs and the timing of funding related to agreements.

Fiscal 2008

The general fund appropriation has increased by \$23,002 over the fiscal 2008 legislative appropriation as a result of the COLA. Similarly, the special fund appropriation has increased by \$1,378 over the fiscal 2007 legislative appropriation as a result of the COLA.

The reimbursable fund appropriation has increased by \$283,700 over the fiscal 2008 legislative appropriation. Approximately half of the increases were related employment among individuals with disabilities. An increase of \$75,000 uses Medicaid Infrastructure Grant for a variety of departmental costs associated with the goal of integrated employment opportunities for individuals with disabilities. An increase of \$69,300 is for an MOU with DHMH related to the Employed Individuals with Disabilities Program. This increase provided funds for costs related to outreach, training, and application and technical assistance.

Increases totaling \$120,000 were for emergency preparedness activities. One is for an MOU with MEMA and the other is for an MOU with DHMH for partnerships with the Disabilities Preparedness Center, Inc.

The remaining increases were to use funds authorized in prior fiscal years. One of these increases altered the purpose for which the funds were previously authorized.

Audit Findings

Audit Period for Last Audit:	July 1, 2004 – January 16, 2007
Issue Date:	June 2007
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

The audit did not disclose any findings.

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	25.00	25.00	26.00	1.00	4.0%
02 Contractual	5.00	4.00	3.00	-1.00	-25.0%
Total Positions	30.00	29.00	29.00	0	0%
Objects					
01 Salaries and Wages	\$ 1,934,103	\$ 2,022,934	\$ 2,229,717	\$ 206,783	10.2%
02 Technical and Spec. Fees	277,495	287,569	167,560	-120,009	-41.7%
03 Communication	39,306	60,635	63,774	3,139	5.2%
04 Travel	54,806	82,199	60,531	-21,668	-26.4%
06 Fuel and Utilities	17,742	20,885	21,885	1,000	4.8%
07 Motor Vehicles	37,646	33,540	34,695	1,155	3.4%
08 Contractual Services	884,122	479,399	349,853	-129,546	-27.0%
09 Supplies and Materials	81,857	40,626	34,725	-5,901	-14.5%
10 Equip. – Replacement	10,700	10,875	11,875	1,000	9.2%
11 Equip. – Additional	144,461	29,800	19,442	-10,358	-34.8%
12 Grants, Subsidies, and Contributions	1,796,491	1,673,307	1,692,228	18,921	1.1%
13 Fixed Charges	160,032	188,830	185,992	-2,838	-1.5%
Total Objects	\$ 5,438,761	\$ 4,930,599	\$ 4,872,277	-\$ 58,322	-1.2%
Funds					
01 General Fund	\$ 2,726,877	\$ 2,889,560	\$ 3,035,592	\$ 146,032	5.1%
03 Special Fund	179,329	197,910	197,298	-612	-0.3%
05 Federal Fund	1,691,370	1,413,078	1,481,346	68,268	4.8%
09 Reimbursable Fund	841,185	430,051	158,041	-272,010	-63.3%
Total Funds	\$ 5,438,761	\$ 4,930,599	\$ 4,872,277	-\$ 58,322	-1.2%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
Department of Disabilities**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
1100 Office For Individuals With Disabilities	\$ 2,110,959	\$ 2,034,113	\$ 1,904,073	-\$ 130,040	-6.4%
1101 Attendant Care Program	1,295,333	1,285,498	1,288,749	3,251	0.3%
1130 Maryland Developmental Disabilities Council	1,204,413	1,022,989	1,004,690	-18,299	-1.8%
1160 Technology Assistance Program	828,056	587,999	674,765	86,766	14.8%
Total Expenditures	\$ 5,438,761	\$ 4,930,599	\$ 4,872,277	-\$ 58,322	-1.2%
General Fund	\$ 2,726,877	\$ 2,889,560	\$ 3,035,592	\$ 146,032	5.1%
Special Fund	179,329	197,910	197,298	-612	-0.3%
Federal Fund	1,691,370	1,413,078	1,481,346	68,268	4.8%
Total Appropriations	\$ 4,597,576	\$ 4,500,548	\$ 4,714,236	\$ 213,688	4.7%
Reimbursable Fund	\$ 841,185	\$ 430,051	\$ 158,041	-\$ 272,010	-63.3%
Total Funds	\$ 5,438,761	\$ 4,930,599	\$ 4,872,277	-\$ 58,322	-1.2%

Note: The fiscal 2008 appropriation does not include deficiencies.