

D12A02
Department of Disabilities

Operating Budget Data

(\$ in Thousands)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,542	\$2,992	\$2,875	-\$118	-3.9%
Special Fund	565	140	197	57	40.5%
Federal Fund	3,866	1,671	1,413	-258	-15.4%
Reimbursable Fund	<u>277</u>	<u>592</u>	<u>146</u>	<u>-446</u>	<u>-75.3%</u>
Total Funds	\$7,251	\$5,395	\$4,631	-\$764	-14.2%

- The fiscal 2008 allowance is \$764,413 lower than the 2007 working appropriation. After adjusting for one-time health insurance savings, the allowance represents a decrease of \$0.68 million, or 12.7% below fiscal 2007.
- General funds decreased by \$118,000. The majority of this decrease is because of a one-time fiscal 2007 appropriation to support the Maryland Technology Assistance Program nonvisual web site initiative.
- The increase in the special fund appropriation of \$57,000 is largely allocated to support the Telework Loan Program.
- Federal funds decreased by \$258,000 which reflects the absence of one-time fiscal 2007 grants and a decrease in the rates negotiated for indirect costs with the U.S. Department of Justice from 11.73 to 3.35%.
- The significant decrease in reimbursable funds results from the expiration of Memoranda of Understanding between the Maryland Department of Disabilities (MDOD) and the Department of Health and Mental Hygiene (DHMH) for activities conducted under the Medicaid Infrastructure Grant, as well as between MDOD, DHMH, and the Maryland Emergency Management Agency for emergency preparedness activities.

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

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Personnel Data

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>
Regular Positions	24.00	25.00	25.00	0.00
Contractual FTEs	<u>4.50</u>	<u>5.00</u>	<u>4.00</u>	<u>-1.00</u>
Total Personnel	28.50	30.00	29.00	-1.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.50	2.00%
Positions Vacant as of 12/31/06	1.00	4.00%

- The allowance proposes no new regular positions and the reduction of 1.0 full-time equivalent (FTE) contractual position. This results from the addition of 0.5 contractual FTE for the new Telework Loan Program and the reduction of 3.0 part-time contractual positions, associated with one-time grants and programs.
- The department must keep 0.5 FTE positions vacant to meet its budgeted turnover rate of 2.00%. As of December 31, 2006, the department had one vacancy.

Analysis in Brief

Major Trends

MDOD Continues to Achieve Performance Goals: While it appears MDOD is achieving the results stated in its goals and objectives, the department does not list specific and measurable targets which are required to be included in objectives.

Recommended Actions

1. Concur with Governor's allowance.

D12A02
Department of Disabilities

Operating Budget Analysis

Program Description

The Maryland Department of Disabilities (MDOD) was established by Chapter 425 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 may 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.

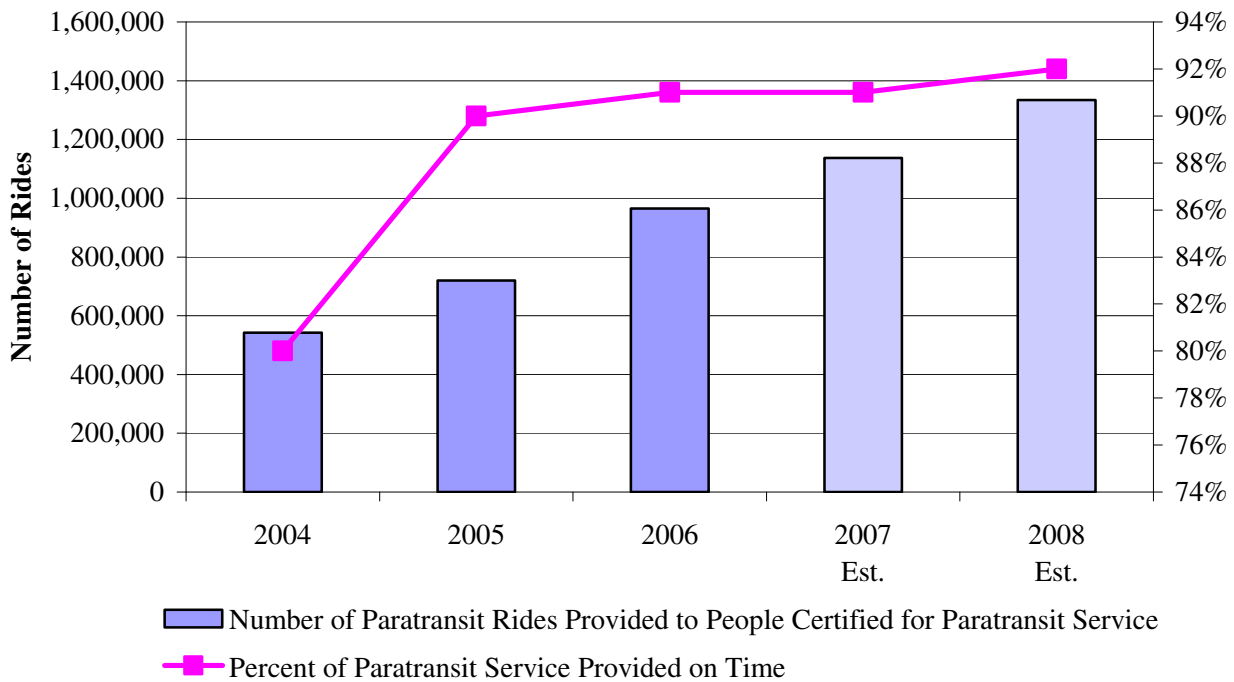
In addition, the department provides information on programs and services available to Marylanders with disabilities; provides expertise regarding law and State compliance issues; and facilitates citizens with disabilities in accessing resources, information, and technology. The department also administers the Constituent Services Program, the Access Maryland Program, the Technology Assistance Program, and the Attendant Care Program.

Performance Analysis: Managing for Results

MDOD collaborates with the Department of Budget and Management and other State agencies to gather data for disability performance measures relating to accessibility, community integration, employment and training services, housing, technology, and transportation services. This analysis will highlight the areas of transportation and employment and training services. While it appears MDOD is achieving the results stated in its goals and objectives, the department does not list specific and measurable targets which are required to be included in objectives. **The department should explain how it plans to include specific and measurable objectives in the future.**

Exhibit 1 shows performance data for the goal of providing reliable transportation options for people with disabilities. The Maryland Department of Transportation provided 245,000 more paratransit rides in fiscal 2006 over 2005. The on-time percentage has improved to more than 90%. When MDOD began working with the program in 2003, the performance was closer to 70%, and now, according to the 2007 State Disabilities Plan, Maryland's paratransit system is one of the top in the nation. One of the reasons for the improved performance is MDOD's improved training methods of hiring people with disabilities to provide the training for drivers, managers, call-center personnel, and others within the paratransit system.

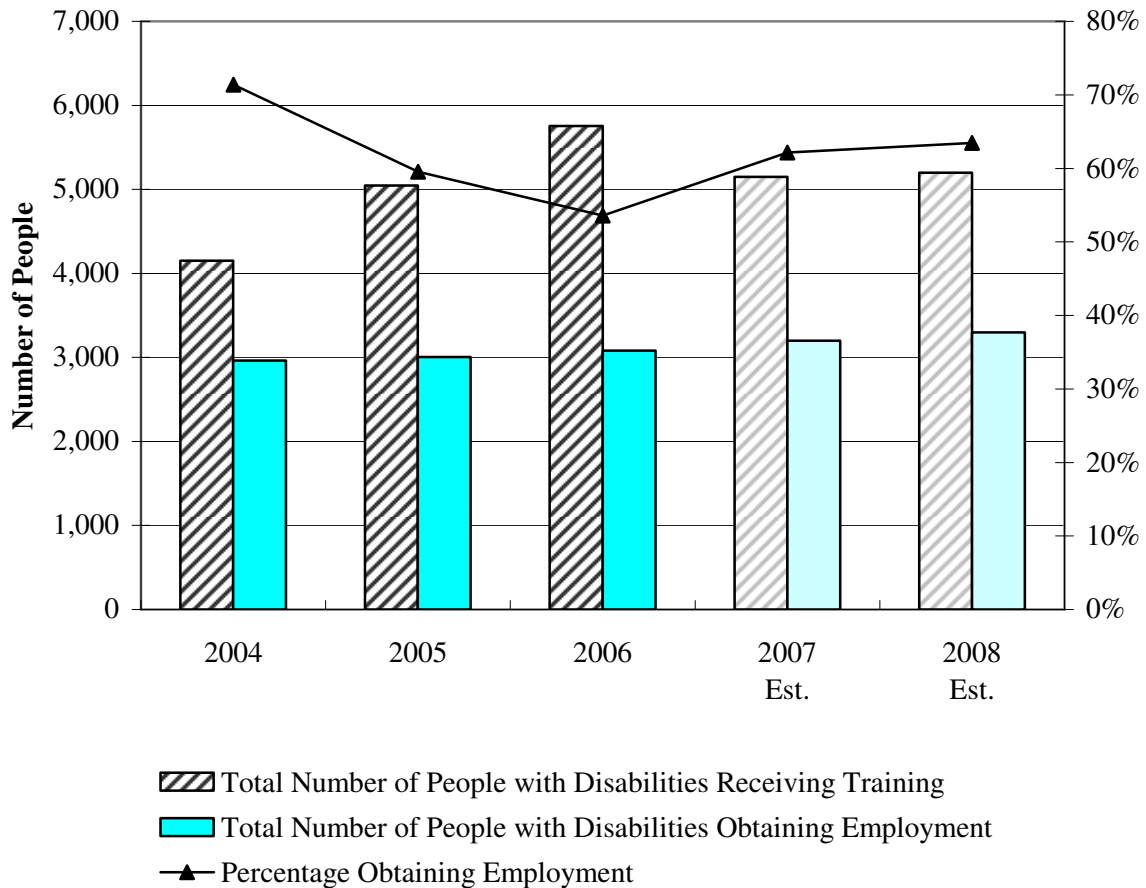
Exhibit 1
Performance Data
Goal to Ensure Reliable Transportation Options for the Disabled
Fiscal 2004-2008



Source: Maryland Department of Transportation

Exhibit 2 demonstrates performance data for the goal of ensuring integrated training and employment options for people with disabilities. Over 700 more people with disabilities received employment training through the Maryland State Department of Education's Division of Rehabilitation Services in fiscal 2006 than in fiscal 2005. The number of people with disabilities obtaining employment after receiving training in fiscal 2006 has only increased by 77 over fiscal 2005. In fact, the percentage of annual participants obtaining employment has declined from over 70% in fiscal 2004 to less than 60% in fiscal 2006. However, MDOD estimates the number of people with disabilities gaining employment will grow progressively over 2007 and 2008.

Exhibit 2
Performance Data
Goal to Ensure Access to Integrated Training and
Employment Options for the Disabled
Fiscal 2004-2008



Source: Maryland State Department of Education

Governor's Proposed Budget

Changes to the Governor's proposed budget are detailed in **Exhibit 3**. The most significant change, a decrease of \$378,000, may be attributed to the expiration of Memoranda of Understanding (MOU) between MDOD and the Department of Health and Mental Hygiene (DHMH) for activities conducted under the Medicaid Infrastructure Grant, as well as between MDOD, DHMH, and the Maryland Emergency Management Agency (MEMA) for emergency preparedness activities.

Exhibit 3
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>
2007 Working Appropriation	\$2,992	\$140	\$1,671	\$592	\$5,395
2008 Governor's Allowance	<u>2,875</u>	<u>197</u>	<u>1,413</u>	<u>146</u>	<u>4,631</u>
Amount Change	-\$118	\$57	-\$258	-\$446	-\$764
Percent Change	-3.9%	40.5%	-15.4%	-75.3%	-14.2%

Where It Goes:**Personnel Expenses**

Increments and other compensation.....	\$65
Retirement changes.....	30
Health insurance costs decline due to one-time savings	-43
Turnover adjustments	-1

Completed Grant/MOU Expenses

Absence of funding under Medicaid Infrastructure Grant provided through MOU with DHMH to support emergency preparedness training	-378
Absence of one-time federal grant awarded in fiscal 2007 for Developmental Disabilities Council (DDC) and the Maryland Technology Assistance Program (MD TAP)	-297
Absence of one-time appropriation to support MD TAP nonvisual web site accessibility initiative	-100
Decrease in statewide travel costs based on cost containment and completion of activities under fiscal 2007 MOUs with DHMH and MEMA that will not continue in fiscal 2008.....	-35

Program Expenses

Rates negotiated for indirect costs paid to the State and federal government have decreased for DDC and MD TAP	-41
Anticipated decrease in need for personal assistance services reimbursement for participants in the Attendant Care Program.....	-42
Grant funding to support MD TAP partnership development	22

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Where It Goes:

Equipment upgrades for assistive technology purchased for MD TAP's demonstration laboratories.....	16
Costs associated with contractual positions for Family NetWorks, Telenetwork Loan Program, and the Youth Empowerment Alliance	17
Expenses associated with local and out-of-state conferences	11
Grants to nonprofit organizations serving individuals with disabilities.....	12

Operating Expenses

Costs, based on fiscal 2006 actual, associated with telecommunications, supplies, materials and for attending and displaying booths at various disability association conferences	-28
Decrease in printing costs due to greater focus on electronic and bulk materials	-14
Decrease in motor vehicle expenses	-3
Fixed charges such as insurance, rent and subscriptions	30
Costs associated with computer software and telecommunications maintenance	7
Increase in electricity and other utility expenses	6
Other	2

Total **-\$764**

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

Accomplishments of MDOD under the Medicaid Infrastructure Grant included the creation and statewide distribution of fact sheets, public service announcements, and an employment summit, all aimed at encouraging employers to hire individuals with disabilities. MDOD also used these funds to train those with disabilities on the Medicaid buy-in plan and other resources available to them when entering or returning to the workforce.

Many individuals with disabilities have special needs limiting their ability to react during an emergency situation. The MOU between MDOD, DHMH, and MEMA allowed individuals with disabilities to become more aware of the need for advance emergency preparation. Maryland was one of the first states to establish preparedness initiatives for the disability community. Initiatives included training sessions and workshops, the creation of a readiness guide, a public service announcement, and a statewide emergency communication model.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

	(\$ in Thousands)				
	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$1,346	\$549	\$3,714	\$89	\$5,698
Deficiency Appropriation	0	33	0	0	33
Budget Amendments	1,216	0	153	427	1,796
Reversions and Cancellations	-20	-16	0	-240	-276
Actual Expenditures	\$2,542	\$566	\$3,867	\$276	\$7,251
Fiscal 2007					
Legislative Appropriation	\$2,975	\$139	\$1,671	\$144	\$4,929
Budget Amendments	18	0	0	448	466
Working Appropriation	\$2,993	\$139	\$1,671	\$592	\$5,395

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

Fiscal 2006

The general fund appropriation increased \$1.2 million. The majority of the increase was due to funds transferred from the Community Services Administration in order to implement Chapter 439 of 2005 which authorized the transfer of the Office of Personal Assistance Services and the Attendant Care Programs to the Department of Disabilities. The remaining increase recognized the fiscal 2006

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cost-of-living adjustment (COLA) and reallocation of health insurance funds from the Department of Budget and Management (DBM). MDOD had a total of \$20,000 in unspent funds resulting from vacant positions.

Special funds increased due to a deficiency appropriation of \$32,570 to support the administration of the Assistive Technology Guaranteed Loan Fund that was offset by the cancellation of \$16,000 in unspent funds.

An increase in the federal fund appropriation of \$152,940, made possible by the National Institute on Disability and Rehabilitation Research, was used to increase the availability and accessibility of assistive technology for individuals with disabilities through MD TAP.

Reimbursable funds increased by \$427,000, via budget amendments. This includes \$106,977 used to partner with the Disabilities Preparedness Center in Washington, DC to provide training, exercise, and technical assistance to the Developmental Disabilities Administration (DDA) in order to prepare for and respond to acts of terrorism. A total of \$163,000 was used for staff to attend Medicaid Infrastructure Grant training in order to provide support and training leading to integrated and competitive employment for individuals with disabilities. The remaining funds were used to provide various programs for children and youth with disabilities. MDOD enters into Memoranda of Understanding to provide services for other State agencies. A total of \$240,000 was cancelled because of an unanticipated delay in disbursement of funds.

Fiscal 2007

The fiscal 2007 working appropriation is \$0.5 million greater than the legislative appropriation. General funds were increased by \$18,000 to recognize the fiscal 2007 employee COLA. Funds for the COLA were transferred from DBM.

Reimbursable funds have increased \$448,000. This includes \$195,000 under a MOU with the Maryland Emergency Management Agency combined with \$181,000 from a MOU with the Department of Health and Mental Hygiene (DHMH) used to enhance and develop emergency communications between disability communities across Maryland. A total of \$47,482 is from unused fiscal 2006 funds from a MOU with DHMH in order to partner with the Disabilities Preparedness Center in Washington, DC to provide terrorism preparedness and response training and technical assistance to DDA. A total of \$25,000 was to ensure the web site of DBM meets the Information Technology Nonvisual Access Standards as publicized in COMAR.

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

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07 - FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	24.00	25.00	25.00	0	0%
02 Contractual	4.50	5.00	4.00	-1.00	-20.0%
Total Positions	28.50	30.00	29.00	-1.00	-3.3%
Objects					
01 Salaries and Wages	\$ 1,707,693	\$ 1,955,307	\$ 2,006,554	\$ 51,247	2.6%
02 Technical and Special Fees	239,521	209,184	226,369	17,185	8.2%
03 Communication	53,794	65,642	57,135	-8,507	-13.0%
04 Travel	59,414	95,193	71,749	-23,444	-24.6%
06 Fuel and Utilities	14,660	14,352	20,885	6,533	45.5%
07 Motor Vehicles	30,898	36,700	33,540	-3,160	-8.6%
08 Contractual Services	398,756	785,567	291,499	-494,068	-62.9%
09 Supplies and Materials	49,290	42,723	33,176	-9,547	-22.3%
10 Equipment – Replacement	25,275	9,655	10,875	1,220	12.6%
11 Equipment – Additional	46,139	13,800	29,800	16,000	115.9%
12 Grants, Subsidies, and Contributions	4,442,216	1,989,164	1,660,107	-329,057	-16.5%
13 Fixed Charges	183,275	177,645	188,830	11,185	6.3%
Total Objects	\$ 7,250,931	\$ 5,394,932	\$ 4,630,519	-\$ 764,413	-14.2%
Funds					
01 General Fund	\$ 2,542,294	\$ 2,992,339	\$ 2,874,558	-\$ 117,781	-3.9%
03 Special Fund	565,351	139,920	196,532	56,612	40.5%
05 Federal Fund	3,866,210	1,670,599	1,413,078	-257,521	-15.4%
09 Reimbursable Fund	277,076	592,074	146,351	-445,723	-75.3%
Total Funds	\$ 7,250,931	\$ 5,394,932	\$ 4,630,519	-\$ 764,413	-14.2%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
Department of Disabilities**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07 - FY08 % Change</u>
1100 Office for Individuals with Disabilities	\$ 1,662,292	\$ 1,944,109	\$ 1,736,311	-\$ 207,798	-10.7%
1101 Attendant Care Program	1,030,478	1,535,439	1,284,348	-251,091	-16.4%
1130 Maryland Developmental Disabilities Council	1,227,270	1,122,089	1,022,989	-99,100	-8.8%
1160 Technology Assistance Program	3,330,891	793,094	586,621	-206,473	-26.0%
3000 Telecommunications Access of Maryland	0	201	250	49	24.4%
Total Expenditures	\$ 7,250,931	\$ 5,394,932	\$ 4,630,519	-\$ 764,413	-14.2%
General Fund	\$ 2,542,294	\$ 2,992,339	\$ 2,874,558	-\$ 117,781	-3.9%
Special Fund	565,351	139,920	196,532	56,612	40.5%
Federal Fund	3,866,210	1,670,599	1,413,078	-257,521	-15.4%
Total Appropriations	\$ 6,973,855	\$ 4,802,858	\$ 4,484,168	-\$ 318,690	-6.6%
Reimbursable Fund	\$ 277,076	\$ 592,074	\$ 146,351	-\$ 445,723	-75.3%
Total Funds	\$ 7,250,931	\$ 5,394,932	\$ 4,630,519	-\$ 764,413	-14.2%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.