

D12A02
Department of Disabilities

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$3,062	\$3,395	\$3,406	\$11	0.3%
Adjustments	0	0	-6	-6	
Adjusted General Fund	\$3,062	\$3,395	\$3,400	\$5	0.1%
Special Fund	304	281	323	42	14.9%
Adjustments	0	30	0	-30	
Adjusted Special Fund	\$304	\$311	\$323	\$12	3.7%
Federal Fund	7,640	9,088	8,836	-252	-2.8%
Adjustments	0	0	-4	-4	
Adjusted Federal Fund	\$7,640	\$9,088	\$8,833	-\$255	-2.8%
Reimbursable Fund	1,087	965	1,043	78	8.0%
Adjusted Reimbursable Fund	\$1,087	\$965	\$1,043	\$78	8.0%
Adjusted Grand Total	\$12,094	\$13,759	\$13,598	-\$161	-1.2%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The fiscal 2018 budget for the Maryland Department of Disabilities (MDOD) contains a deficiency appropriation of \$30,000 in special funds. This deficiency is to provide temporary ramps through a grant from the Christopher and Dana Reeve Foundation to the Maryland Technology Assistance Program (MDTAP).
- After accounting for the deficiency and a statewide reduction in pension costs, the adjusted fiscal 2018 allowance decreases by 160,982, or 1.2%, compared to the adjusted fiscal 2017 working appropriation.

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

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Personnel Data

	<u>FY 16 Actual</u>	<u>FY 17 Working</u>	<u>FY 18 Allowance</u>	<u>FY 17-18 Change</u>
Regular Positions	25.60	26.60	26.60	0.00
Contractual FTEs	<u>4.20</u>	<u>3.80</u>	<u>4.10</u>	<u>0.30</u>
Total Personnel	29.80	30.40	30.70	0.30

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.27	1.01%
Positions and Percentage Vacant as of 12/31/16	2.00	7.52%

- The allowance creates a 0.30 contractual full-time equivalent position (FTE) in MDTAP. This additional FTE count was included in the allowance as an error, and there are no funds included to support it.
- Turnover expectancy in MDOD decreases from 4.04% to 1.01% in fiscal 2018.
- As of December 31, 2016, MDOD has 2.0 vacancies, enough to meet budgeted turnover.

Analysis in Brief

Major Trends

Employment: MDOD has a goal to increase opportunities for competitive, integrated employment for Marylanders with disabilities. The number of individuals with an individualized plan for employment has increased steadily in recent years. The number of people obtaining employment after receiving job training has remained steady in recent years.

Housing: MDOD has a goal to increase availability of integrated, affordable, and accessible housing. The number of people on Social Security Income or Social Security Disability Insurance receiving rental assistance or public housing rose substantially between fiscal 2014 and 2016. The number of people who received financing for accessibility modifications to their homes rose substantially from 14 to 41 in fiscal 2016. The number of people obtaining homeownership with assistance through the Homeownership for Individuals with Disabilities Program declined slightly.

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) is the principal State agency responsible for developing, maintaining, revising, and enforcing statewide disability policies and standards throughout the units of State government. MDOD focuses on increasing the capacity of Maryland communities to provide services in inclusive settings; creating a citizen-centered delivery system that allows consumers to make meaningful choices and maintain control of their lives; bringing into the service delivery system elevated expectations about the capacities of individuals with disabilities; incorporating accessible design into communities and technologies; and constructing a seamless, responsive, and coordinated service delivery system. As part of this work, MDOD directs the development and implementation of the *State Disabilities Plan*.

The department also provides information, referral services, and expertise on the law. In addition, MDOD administers the following programs:

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

Key goals for MDOD are:

- that persons 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;
- that persons with disabilities have community-based, self-directed, long-term services that enable them to live in the community;
- that persons with disabilities have access to reliable transportation options;

- that persons with disabilities have access to integrated training and employment options in the community;
- that persons with disabilities have access to affordable, accessible housing in communities of their choosing; and
- that Maryland’s State facilities and technology are accessible and universally designed to promote the independence and participation of people with disabilities.

Performance Analysis: Managing for Results

In its annual Managing for Results (MFR) submission, MDOD presents information not only on programs administered directly by MDOD, but on programs other State agencies oversee that serve individuals with disabilities. These MFR measures demonstrate MDOD’s role as a coordinating agency and highlight key areas of service for individuals with disabilities, such as employment, housing, community-based services, and transportation.

MDOD also produces the *State Disabilities Plan* and *Annual State Progress Analysis*. The *State Disabilities Plan* is to be revised every four years as a result of Chapter 207 of 2010, and an update was completed early in 2016. The 2016 *State Disabilities Plan* focuses on 12 positive outcomes:

- expanded opportunities for self-directed supports and services;
- increased availability of integrated, affordable, and accessible housing options;
- improved access to reliable transportation options;
- increased opportunities for competitive, integrated employment;
- improved opportunities for children, youth, and life-long learners to access education;
- improved opportunities for financial independence and stability;
- increased access to physical and behavioral health care;
- expanded access to family supports;
- appropriate interactions with law enforcement and public safety services;
- appropriate, accessible communication during emergencies;

- equal opportunity for participation in State government; and
- increased transparent and timely information about government services.

Each year, different aspects of MDOD’s work are reviewed in the budget analysis. This year’s focus is on (1) employment and (2) housing.

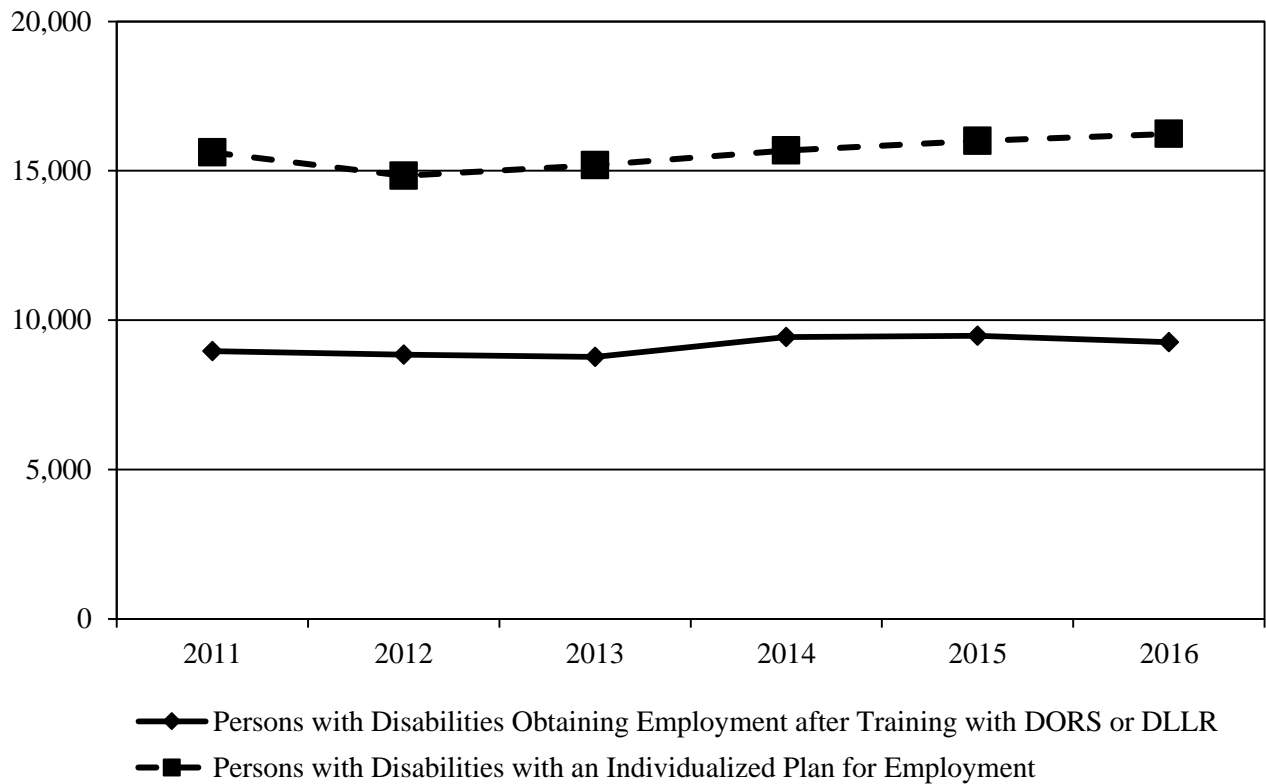
1. Employment

In order to ensure that there are increased opportunities for competitive and integrated employment, the State has a strategy to ensure that individuals with disabilities are given appropriate services, training, and supports needed to enter and remain in the workforce. The department offers resources for employers and job seekers on its website in order to help match individuals with disabilities to employment opportunities. In addition, the Employed Individuals with Disabilities Program helps to increase employment by allowing a person to remain eligible for State services with higher income and asset levels.

Exhibit 1 shows two metrics reported by MDOD on employment. The upper line measures the number of individuals with disabilities with an Individualized Plan for Employment, a written document outlining an individual’s goals and the services and training they will receive that will help toward reaching those goals. The number grew 7.9% from its low in fiscal 2012 to 2016.

Exhibit 1 also shows the number of people each year obtaining employment after receiving job training by the Division of Rehabilitation Services or the Department of Labor, Licensing, and Regulation. This number has remained approximately the same since a slight increase from 8,774 to 9,432 between fiscal 2013 and 2014. In fiscal 2016, 9,264 individuals obtained employment following training.

Exhibit 1
Persons with an Individualized Plan for Employment and Obtaining Employment
After Receiving Job Training with DORS or DLLR
Fiscal 2011-2016



DLLR: Department of Labor, Licensing, and Regulation

DORS: Division of Rehabilitation Services

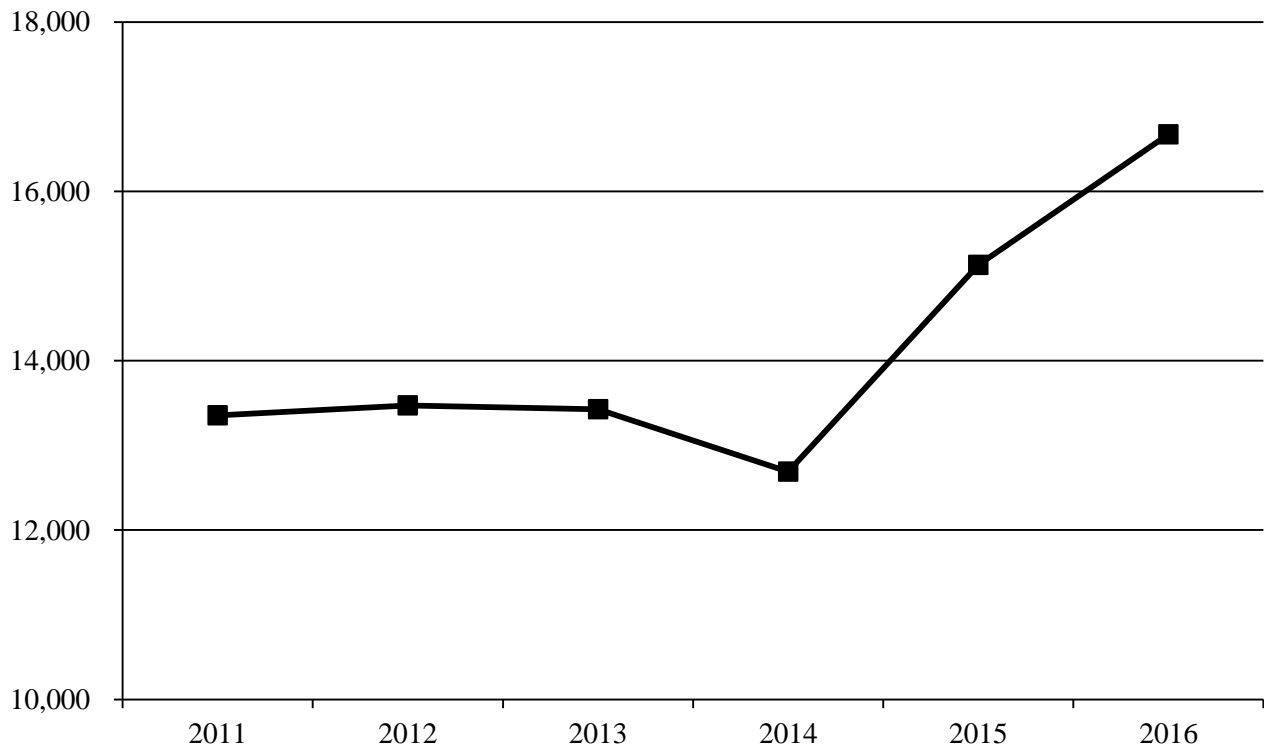
Source: Department of Disabilities

2. Housing

As stated in the *State Disabilities Plan*, three statewide indicators measure progress in increasing the availability of integrated, affordable, and accessible housing: housing units available for low-income Marylanders with disabilities, those on Social Security Income (SSI) or Social Security Disability Insurance (SSDI) and receiving rental assistance, and utilization of home ownership and home modification programs.

MDOD helps administer the Weinberg Affordable Housing Opportunities for Persons with Disabilities Initiative, which provides affordable rentals. There are 16 Weinberg apartments currently throughout the State and an additional 8 units are planned for construction in the next two years. MDOD also helps administer Section 811 Project Rental Assistance, which provides income-based rental subsidies to individuals with disabilities in participating units. In addition to those two options, individuals with disabilities can apply for public housing or rental assistance. **Exhibit 2** shows the number of people on SSI or SSDI who receive assistance. After a slight decrease between fiscal 2013 and 2014, individuals receiving the Housing Choice Voucher or public housing has increased substantially in recent years from 12,688 in fiscal 2014 to 16,672 in fiscal 2016.

Exhibit 2
Individuals Receiving SSI or SSDI and Receiving
Housing Choice Voucher or Public Housing
Fiscal 2011-2016

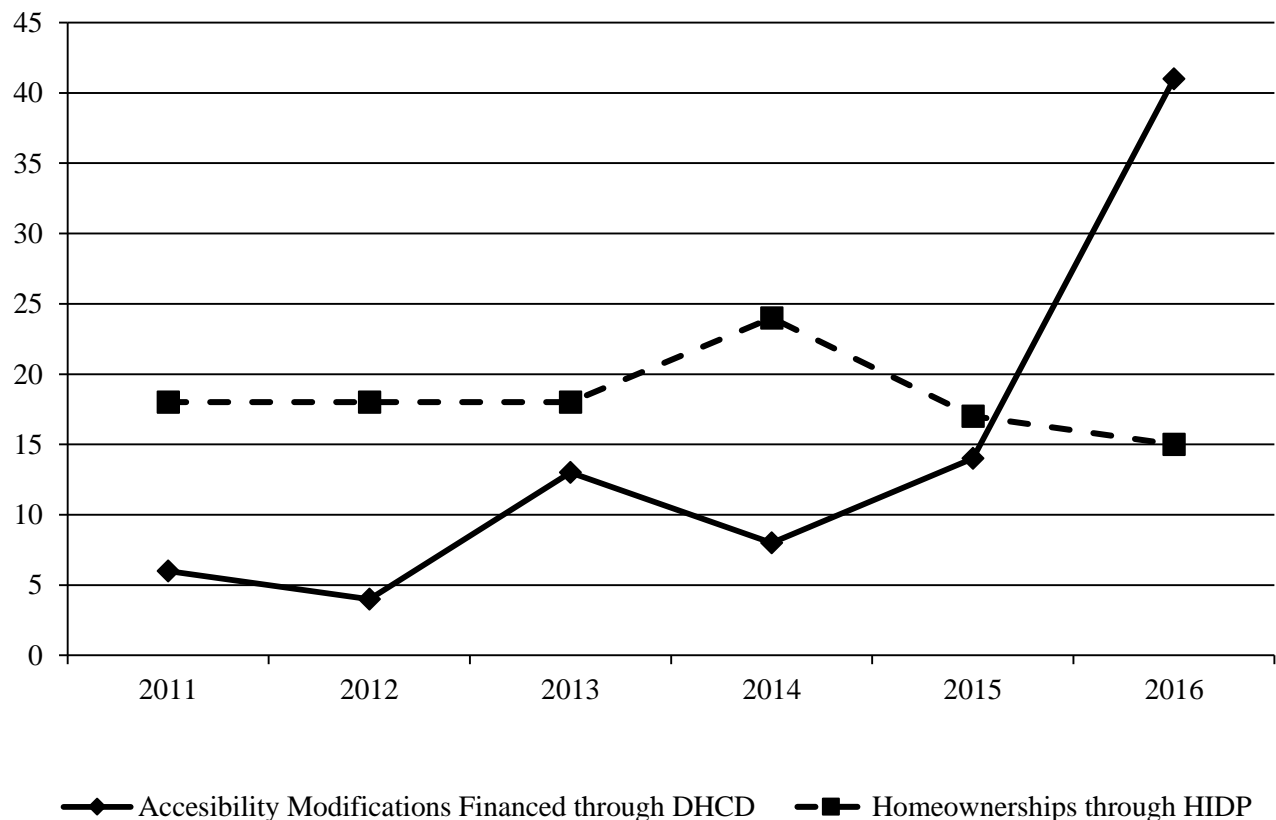


SSDI: Social Security Disability Insurance
SSI: Social Security Income

Source: Maryland Department of Disabilities

Two additional metrics related to housing are shown in **Exhibit 3**. The first is the number of accessibility modifications financed by the Department of Housing and Community Development. The number increased substantially in fiscal 2016 to 41 from 14 in fiscal 2015. This is due to a change in administration of the program to award grants in addition to loans. Exhibit 3 also shows the number of people obtaining homeownership with assistance through the Homeownership for Individuals with Disabilities Program, a loan assistance program available to individuals with disabilities. This metric has declined since fiscal 2015, with 15 individuals assisted in fiscal 2016.

Exhibit 3
Accessibility Modifications Financed by DHCD and
Homeownerships Financed by HIDP
Fiscal 2011-2016



DHCD: Department of Housing and Community Development
HIDP: Homeownership for Individuals with Disabilities

Source: Maryland Department of Disabilities

Fiscal 2017 Actions

Proposed Deficiency

The fiscal 2018 allowance includes a deficiency appropriation of \$30,000 in special funds. This deficiency is to provide temporary ramps through a grant from the Christopher and Dana Reeve Foundation to the MDTAP.

Proposed Budget

As shown in **Exhibit 4**, after accounting for the deficiency and a statewide reduction in pension costs, the adjusted fiscal 2018 allowance decreases by 160,982, or 1.2%, compared to the adjusted fiscal 2017 working appropriation. This decrease is driven by a \$222,644 decrease in federal funds for the Promoting Readiness of Minors in Supplemental Security Income (PROMISE) grant.

Exhibit 4
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>
Fiscal 2016 Actual	\$3,062	\$304	\$7,640	\$1,087	\$12,094
Fiscal 2017 Working Appropriation	3,395	311	9,088	965	\$13,759
Fiscal 2018 Allowance	<u>3,400</u>	<u>323</u>	<u>8,833</u>	<u>1,043</u>	<u>\$13,598</u>
Fiscal 2017-2018 Amount Change	\$5	\$12	-\$255	\$78	-\$161
Fiscal 2017-2018 Percent Change	0.1%	3.7%	-2.8%	8.0%	-1.2%

Where It Goes

Personnel Expenses

Turnover adjustment	\$74
Social Security contributions	2
Regular earnings	-21
Employee and retiree health insurance	-36

Office for Individuals with Disabilities

Increase in contractual employment to represent a full year of costs for 1.2 full-time equivalents that were added in fiscal 2017	71
Memorandum of Understanding with the Department of Health and Mental Hygiene	25
Spending under the Promoting Readiness of Minors in Supplemental Security Income grant	-223

Where It Goes

Developmental Disabilities Council

Federal grants for initiatives to advance objectives in five-year State plan..... -82

Technology Assistance Program

Memorandum of Understanding with the Maryland Department of Aging 53

Grants to volunteer/nonprofit organizations 25

Contractual employment to align with fiscal 2016 actuals -20

Fiscal 2017 deficiency appropriation for temporary ramp installations at homes -30

Other 1

Total **-\$161**

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

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency's share of these reductions is \$5,578 in general funds, \$345 in special funds, and \$3,702 in federal funds. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Personnel

Personnel costs increase by \$18,397 after accounting for the across-the-board reduction in pension payments. This increase is largely driven by a decrease in turnover expectancy from 4.04% in fiscal 2017 to 1.01% in fiscal 2018. This represents an increase of \$73,970 in turnover expectancy. The small size of MDOD warrants a lower turnover percentage, as few positions are vacant at any given time and vacant positions are usually filled quickly.

Contractual Employment

There is a \$70,927 increase in contractual employment in the Office for Individuals with Disabilities (OID) despite the full-time equivalent (FTE) count remaining at the same level as in the fiscal 2017 working appropriation. This is due to the addition of 1.20 FTEs related to the PROMISE grant program after the start of fiscal 2017. The fiscal 2017 working appropriation only includes costs for a partial year. The increase in the allowance assumes a full year of costs for the additional FTEs.

Promoting Readiness of Minors in Supplemental Security Income Grant

Fiscal 2018 will be the fifth year of MDOD's implementation of the federal PROMISE grant. The five-year grant has a goal to reduce the disability community's reliance on SSDI by increasing graduation and education outcomes. The target population is disabled children aged 14 to 16, 1,000 of which will receive services provided through the grant. MDOD also recruited 1,000 children to serve as a control group. This allows MDOD to test the effectiveness of the program. The fiscal 2018 allowance includes \$7.2 million for the program, a \$222,644 decrease from the fiscal 2017 working appropriation. MDOD attributes the decrease to standard fluctuations in expenditure estimates, noting that it does not reflect major programmatic shifts.

Leading up to the final year of the program, the U.S. Department of Education (ED) analyzed performance data and issued a series of recommendations for the final year. MDOD indicates that it has begun implementation of the recommendations. **The department should provide the ED review and the recommendations.**

The program has assisted nearly 50% of all enrolled youth to obtain at least one paid work experience. Of the total treatment group youth that completed the program, 88% have individualized family plans. Every participant that was referred to financial education and coaching has attended at least one class.

MDOD is implementing a closure process for youth that have received all required interventions. **The department should explain the closure process, including whether it intends to track participants and monitor progress in the future.**

Memoranda of Understanding

Department of Health and Mental Hygiene

Two changes are made in fiscal 2018 to Memoranda of Understanding (MOU) with the Department of Health and Mental Hygiene, which represents a \$24,892 increase in reimbursable funds in OID. First, is the addition of a capacity building initiative to improve the overall health and quality of life among people with mobility limitations and intellectual disabilities through State-based public health programs. Second, is an anticipated increase in contract costs for the Money Follows the Person Peer Outreach, Services, and Supports MOU. Vendor contracts are expiring and will need to be renegotiated in fiscal 2018.

Department of Aging

A new MOU with the Maryland Department of Aging results in a \$52,802 increase in reimbursable funds in MDTAP. The MOU funds a contractual position that will make the Maryland Access Point website more accessible to individuals with disabilities.

Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
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 2016					
Legislative Appropriation	\$3,096	\$173	\$8,592	\$1,006	\$12,868
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	99	151	14	196	461
Reversions and Cancellations	-133	-20	-967	-115	-1,235
Actual Expenditures	\$3,062	\$304	\$7,640	\$1,087	\$12,094
Fiscal 2017					
Legislative Appropriation	\$3,377	\$280	\$9,075	\$940	\$13,672
Cost Containment	0	0	0	0	0
Budget Amendments	18	2	13	25	57
Working Appropriation	\$3,395	\$281	\$9,088	\$965	\$13,729

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

The Maryland Department of Disabilities (MDOD) fiscal 2016 legislative appropriation was reduced by \$774,423.

Several budget amendments changed general, federal, and special fund appropriations to the MDOD budget resulting in a net increase to the budget of \$460,500. The general fund appropriation increased by \$75,000 to allow MDOD to provide oversight for the Ethan Saylor Alliance for Educators. The award of a grant to coordinate the Urban Areas Security Initiative for emergency planning efforts in the National Capital Region with grant partners in Washington, DC and Virginia added \$100,000 in special funds to cover the costs of a contractual employee to coordinate the grant. Another grant, from the Reeve Foundation, increased the special fund appropriation by \$43,600, which allows MDOD to provide portable ramps to people returning home from the hospital. The special fund appropriation was increased by an additional \$6,380 to account for unanticipated revenue from a training consortium. Additionally, an amendment which restored a 2% cut to employee salaries added \$35,000 (\$24,000 in general funds, \$1,000 in special funds, and \$14,000 in federal funds) to the budget.

A \$133,355 reversion to the general fund was due to lower than expected expenditures for a grant to the National Federation of the Blind to establish the Center of Excellence in Non-Visual Access and lower participant payments for the Attendant Care Program. Cancellations totaled \$1,101,487. MDOD canceled \$19,603 in special funds due to a delay in implementation of a program to provide temporary ramps for people in need of access to their homes. Federal fund cancellations totaled \$966,621. MDOD canceled \$814,753 in federal funds due to lower than expected expenditures for the Promoting Readiness of Minors in Supplemental Security Income (PROMISE) grant program. The remaining canceled federal funds are the result of a late invoice for grant payments to the Developmental Disabilities Council (\$114,213) and lower than projected costs for the Maryland Technology Assistance Program (\$37,655). MDOD canceled \$115,263 in reimbursable funds due to lower than expected expenditures in three programs – a partnership to provide summer work to PROMISE program participants, a program to expand health care for children with intellectual/developmental disabilities, and a program to provide a self-advocacy program curriculum to staff of State residential facilities.

Fiscal 2017

To date, the MDOD fiscal 2017 budget has increased by \$57,304. An amendment that allocates centrally budgeted salary increments across State agencies increased the appropriation by \$32,304 (\$17,646 in general funds, \$1,673 in special funds, and \$12,985 in federal funds). Another amendment increased the reimbursable fund appropriation by \$25,000 for an Memorandum of Understanding between MDOD and Maryland 529 to research and develop recommendations for the Achieving a Better Life Experience program.

Appendix 2
Object/Fund Difference Report
Department of Disabilities

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	25.60	26.60	26.60	0.00	0%
02 Contractual	4.20	3.80	4.10	0.30	7.9%
Total Positions	29.80	30.40	30.70	0.30	1.0%
Objects					
01 Salaries and Wages	\$ 2,652,807	\$ 2,810,495	\$ 2,838,517	\$ 28,022	1.0%
02 Technical and Spec. Fees	214,378	219,561	265,434	45,873	20.9%
03 Communication	33,449	39,291	34,782	-4,509	-11.5%
04 Travel	76,668	84,170	107,160	22,990	27.3%
06 Fuel and Utilities	6,482	8,218	8,176	-42	-0.5%
07 Motor Vehicles	23,757	28,020	28,500	480	1.7%
08 Contractual Services	7,062,325	8,308,975	7,541,090	-767,885	-9.2%
09 Supplies and Materials	76,797	48,582	35,164	-13,418	-27.6%
10 Equipment – Replacement	15,873	5,458	6,762	1,304	23.9%
11 Equipment – Additional	36,528	25,525	44,845	19,320	75.7%
12 Grants, Subsidies, and Contributions	1,761,885	2,013,601	2,558,328	544,727	27.1%
13 Fixed Charges	133,077	137,227	139,008	1,781	1.3%
Total Objects	\$ 12,094,026	\$ 13,729,123	\$ 13,607,766	-\$ 121,357	-0.9%
Funds					
01 General Fund	\$ 3,062,305	\$ 3,394,964	\$ 3,405,531	\$ 10,567	0.3%
03 Special Fund	304,467	281,210	323,137	41,927	14.9%
05 Federal Fund	7,639,798	9,087,772	8,836,227	-251,545	-2.8%
09 Reimbursable Fund	1,087,456	965,177	1,042,871	77,694	8.0%
Total Funds	\$ 12,094,026	\$ 13,729,123	\$ 13,607,766	-\$ 121,357	-0.9%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 3
Fiscal Summary
Department of Disabilities**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
1100 Office for Individuals with Disabilities	\$ 8,987,970	\$ 10,937,895	\$ 10,420,031	-\$ 517,864	-4.7%
1101 Attendant Care Program	1,412,165	1,442,481	1,421,131	-21,350	-1.5%
1130 Maryland Developmental Disabilities Council	1,057,891	683,050	1,065,661	382,611	56.0%
1160 Technology Assistance Program	636,000	665,697	700,943	35,246	5.3%
Total Expenditures	\$ 12,094,026	\$ 13,729,123	\$ 13,607,766	-\$ 121,357	-0.9%
General Fund	\$ 3,062,305	\$ 3,394,964	\$ 3,405,531	\$ 10,567	0.3%
Special Fund	304,467	281,210	323,137	41,927	14.9%
Federal Fund	7,639,798	9,087,772	8,836,227	-251,545	-2.8%
Total Appropriations	\$ 11,006,570	\$ 12,763,946	\$ 12,564,895	-\$ 199,051	-1.6%
Reimbursable Fund	\$ 1,087,456	\$ 965,177	\$ 1,042,871	\$ 77,694	8.0%
Total Funds	\$ 12,094,026	\$ 13,729,123	\$ 13,607,766	-\$ 121,357	-0.9%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.