

D11A0401
Office of the Deaf and Hard of Hearing

Operating Budget Data

(\$ in Thousands)

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>	<u>% Change Prior Year</u>
General Fund	\$319	\$328	\$329	\$1	0.3%
Adjusted General Fund	\$319	\$328	\$329	\$1	0.2%
Special Fund	0	2	0	-2	-100.0%
Adjusted Special Fund	\$0	\$2	\$0	-\$2	-100.0%
Adjusted Grand Total	\$319	\$331	\$329	-\$2	-0.5%

- General funds increase by \$744 after accounting for a small across-the-board reduction to health insurance spending, and special funds decline by \$2,274.
- The special funds were appropriated from the Budget Restoration Fund (BRF), created as a result of Chapter 1 of the First Special Session of 2012. The BRF is a State special fund, and State support overall declines by \$1,530.

Personnel Data

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>
Regular Positions	3.00	3.00	3.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	3.00	3.00	3.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/12	0.00	0.00%

- The Office of the Deaf and Hard of Hearing (ODHH) has three regular positions and no vacancies.

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

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Analysis in Brief

Major Trends

Growth in Assistance Provided to Community: A large part of the ODHH mission is providing assistance to government and civic organizations in working with the deaf and hard of hearing community. The instances of assistance provided and announcements disseminated to the public increased between fiscal 2011 and 2012.

Recommended Actions

1. Concur with Governor's allowance.

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Office of the Deaf and Hard of Hearing

Operating Budget Analysis

Program Description

The Office of the Deaf and Hard of Hearing (ODHH) advocates for and promotes the general welfare of deaf and hard of hearing individuals in the State. The specific responsibilities of ODHH include:

- providing, advocating, and coordinating the adoption of public policies, regulations, and programs;
- improving access to communication and to existing services and programs;
- increasing public awareness of the needs and issues affecting deaf and hard of hearing individuals; and
- serving as an information clearinghouse on the needs and issues affecting deaf and hard of hearing individuals.

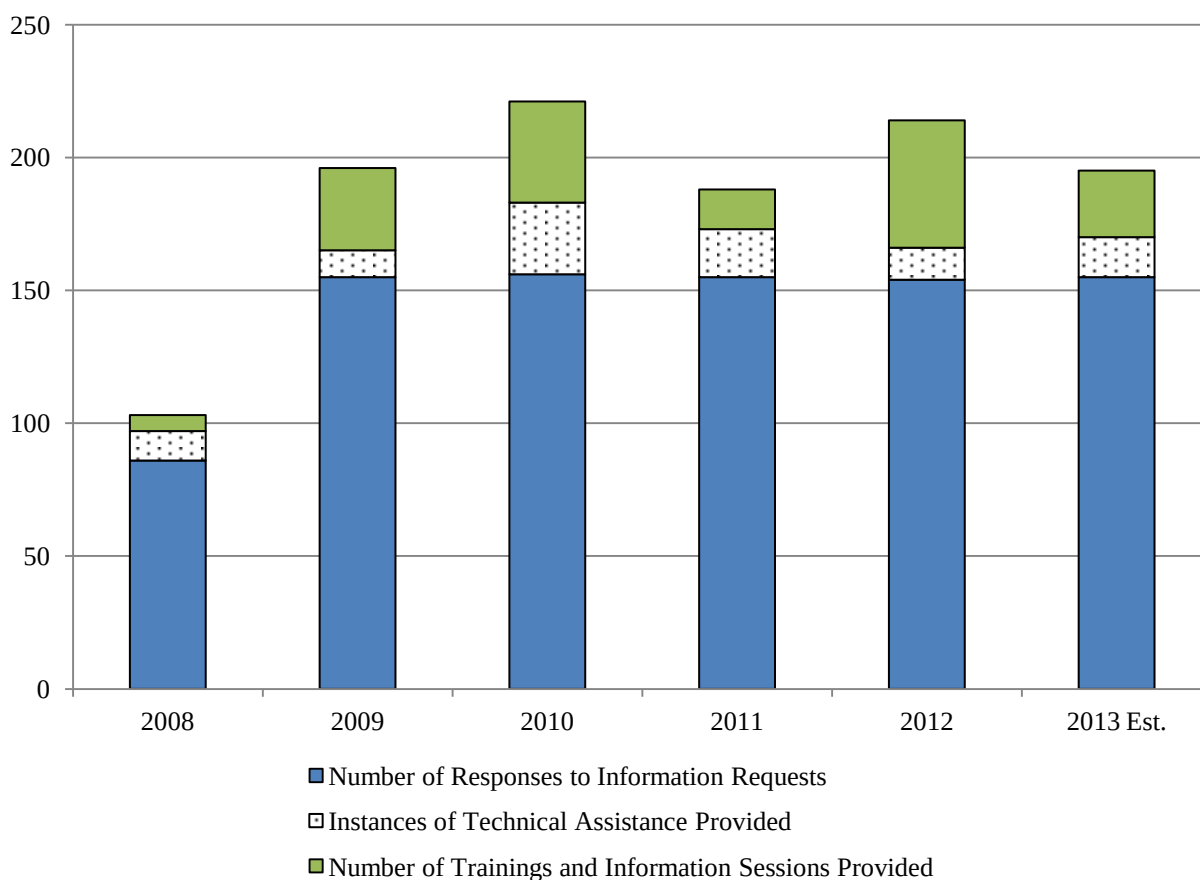
ODHH has two key goals. The first of these goals is that all deaf and hard of hearing citizens will have equal and full access to educational, health, and employment resources and have opportunities to fully participate in community life. The second key goal is that citizens of Maryland will be aware of the needs and issues affecting deaf and hard of hearing individuals.

Performance Analysis: Managing for Results

1. Growth in Assistance Provided to Community

The number of requests received by ODHH from State and local governments grew significantly between fiscal 2008 and 2009. The office participated in a variety of outreach activities during fiscal 2009, such as exhibits, introductory meetings, and marketing training material. Since fiscal 2009, the number and type of requests have fluctuated from year to year but remain well above the fiscal 2008 level. As shown in **Exhibit 1**, the number of responses to information requests is relatively steady, and the number of trainings and information sessions drives the year-to-year changes. The amount of technical assistance provided was high in fiscal 2010 but has otherwise remained around 10 to 15 instances a year.

Exhibit 1
Assistance to Government Agencies
Fiscal 2008-2013

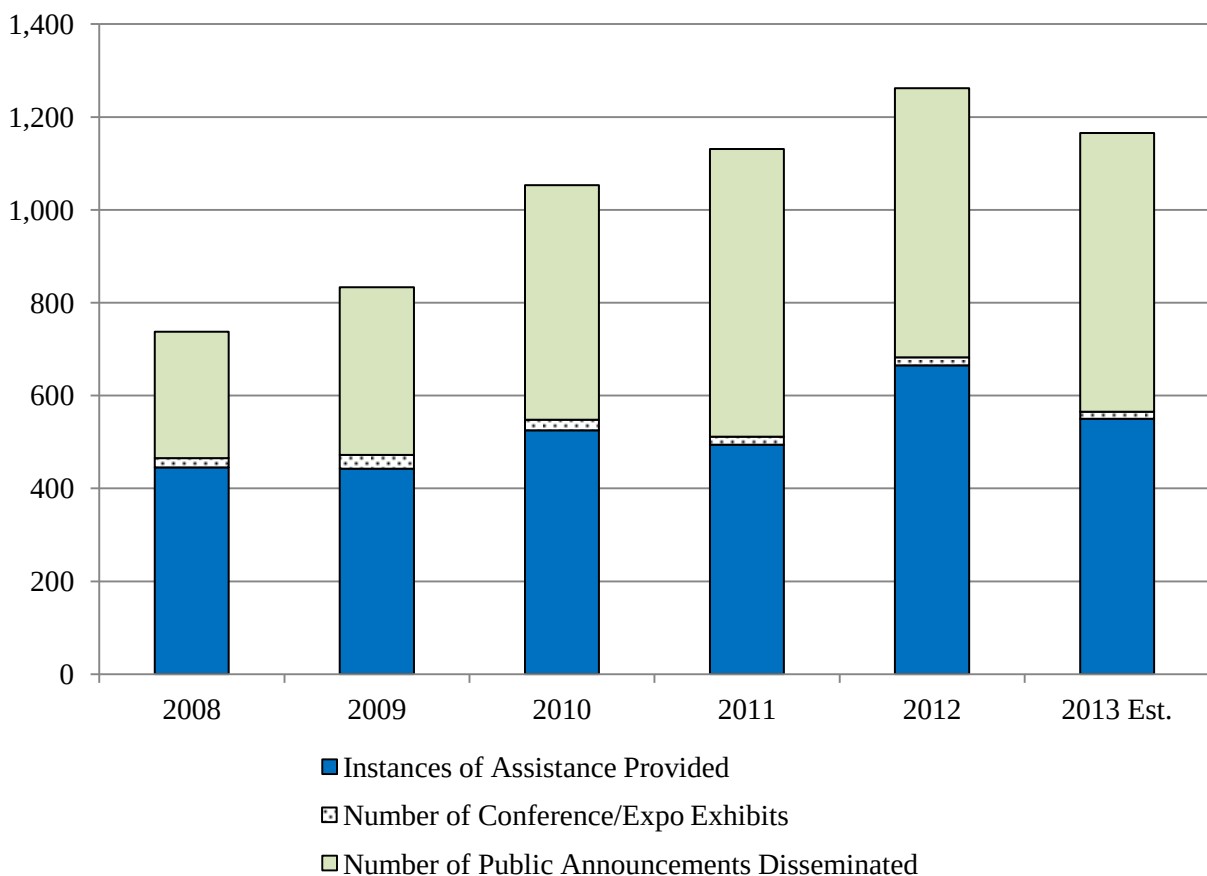


Source: Governor's Budget Books, Fiscal 2011-2014

ODHH has also experienced growth in the number of requests for assistance received from community stakeholders and constituents, growing 71.2% between fiscal 2008 and 2012, when the office received 1,262 requests from the community. Increased requests for assistance are the result of outreach activities and increased visibility of the office. For example, ODHH has participated in activities of the Maryland Department of Veterans Affairs, which has led to more communication and requests for information from veterans with hearing loss. ODHH also explained that the department has become more visible in the community as a result of 2010 departmental legislation that led to Maryland becoming the first state to mandate closed captioning in places of public accommodations.

ODHH reports that the largest area of growth in fiscal 2012 was instances of assistance provided to the community. As shown in **Exhibit 2**, that number grew by 171, or 34.6%, in fiscal 2012. Overall, requests grew steadily since fiscal 2008, though the number of conference and expo exhibits has remained flat due to budget constraints. In future years, increased use of the agency's website may limit growth in the number of information requests from community stakeholders and constituents.

Exhibit 2
Assistance to Community Stakeholders and Constituents
Fiscal 2008-2013



Source: Governor's Budget Books, Fiscal 2011-2014

Proposed Budget

The ODDH budget declines \$1,530 in the allowance, as shown in **Exhibit 3**. This is made up of a decrease in special funds (\$2,274) and an increase in general funds that somewhat offsets that decline (\$744). Included in the general fund number is a small across-the-board reduction in health insurance spending (-\$294) reflecting favorable cost trends in the health insurance market. The presence of special funds in the ODDH fiscal 2013 budget is the result of actions taken in Chapter 1 of the First Special Session of 2012. That legislation created the Budget Restoration Fund (BRF), a State special fund.

Exhibit 3 also shows that the major changes within the ODDH budget are in personnel expenses, primarily health insurance spending for employees and retirees. The agency explains that a change in personnel resulted in a policy change from a family to an individual insurance plan. Funding for the employee retirement system increases by \$5,848 because the contribution rate for regular employees' pension plans increases in fiscal 2014. The rate increases are attributable to underattaining investment returns, adjusting actuarial assumptions, and increasing the reinvestment of savings achieved in the 2011 pension reform.

Two of the programmatic changes shown in Exhibit 3 are the result of an anticipated office relocation. ODDH, which is collocated with the Maryland Department of Disabilities (MDOD), expects to move with MDOD to a larger location. ODDH currently operates out of two offices and 240 square feet (sq. ft.), though the Department of General Services' guidelines indicate that the three-employee, two-intern department should occupy 1,020 sq. ft. The increase in rent payments are in anticipation of moving to a larger space when ODDH and MDOD settle on a new location.

Exhibit 3
Proposed Budget
Office of the Deaf and Hard of Hearing
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
2013 Working Appropriation	\$328	\$2	\$331
2014 Allowance	<u>329</u>	<u>0</u>	<u>329</u>
Amount Change	\$1	-\$2	-\$1
Percent Change	0.3%	-100.0%	-0.4%
Contingent Reductions	\$0	\$0	\$0
Adjusted Change	\$1	-\$2	-\$2
Adjusted Percent Change	0.2%	-100.0%	-0.5%

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Where It Goes:

Personnel Expenses

Employee retirement.....	\$6
Annualization of fiscal 2013 employee cost-of-living adjustment	2
Other salary adjustments.....	-1
Retiree health insurance.....	-7
Employee health insurance	-12

Other Changes

Increased spending on communication kits for medical service providers	4
Anticipated increase in rent payments from move	4
Moving expenses for an anticipated change to a new office location	2

Total	-\$2
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Note: Numbers may not sum to total due to rounding.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Office of the Deaf and Hard of Hearing (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2012					
Legislative Appropriation	\$321	\$0	\$0	\$0	\$321
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	3	0	0	0	3
Reversions and Cancellations	-4	0	0	0	-4
Actual Expenditures	\$319	\$0	\$0	\$0	\$319
Fiscal 2013					
Legislative Appropriation	\$328	\$0	\$0	\$0	\$328
Budget Amendments	0	2	0	0	2
Working Appropriation	\$328	\$2	\$0	\$0	\$331

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

Fiscal 2012

The legislative appropriation was \$320,545 in general funds, which increased by \$2,421 for the agency's share of the one-time \$750 employee bonuses. At the end of the fiscal year, \$3,928 reverted to the general fund.

Fiscal 2013

The general fund appropriation for fiscal 2013 totals \$328,357 in fiscal 2013. Added to that is \$2,274 for payments related to the 2% employee cost-of-living adjustment. This funding was appropriated as a special fund through the BRF.

Audit Findings

Audit Period for Last Audit:	April 1, 2009 – December 31, 2011
Issue Date:	August 2012
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

The Office of the Deaf and Hard of Hearing had an audit released in August 2012 that disclosed no findings.

**Object/Fund Difference Report
Office of the Deaf and Hard of Hearing**

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	3.00	3.00	3.00	0.00	0%
Total Positions	3.00	3.00	3.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 267,666	\$ 280,687	\$ 269,330	-\$ 11,357	-4.0%
03 Communication	3,432	3,745	3,850	105	2.8%
04 Travel	5,931	6,000	6,000	0	0%
06 Fuel and Utilities	471	635	635	0	0%
07 Motor Vehicles	2,880	4,200	4,200	0	0%
08 Contractual Services	21,741	24,185	26,131	1,946	8.0%
09 Supplies and Materials	9,569	2,158	6,185	4,027	186.6%
10 Equipment – Replacement	0	1,650	1,650	0	0%
11 Equipment – Additional	420	0	0	0	0.0%
13 Fixed Charges	7,121	7,371	11,414	4,043	54.9%
Total Objects	\$ 319,231	\$ 330,631	\$ 329,395	-\$ 1,236	-0.4%
Funds					
01 General Fund	\$ 319,231	\$ 328,357	\$ 329,395	\$ 1,038	0.3%
03 Special Fund	0	2,274	0	-2,274	-100.0%
Total Funds	\$ 319,231	\$ 330,631	\$ 329,395	-\$ 1,236	-0.4%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.