

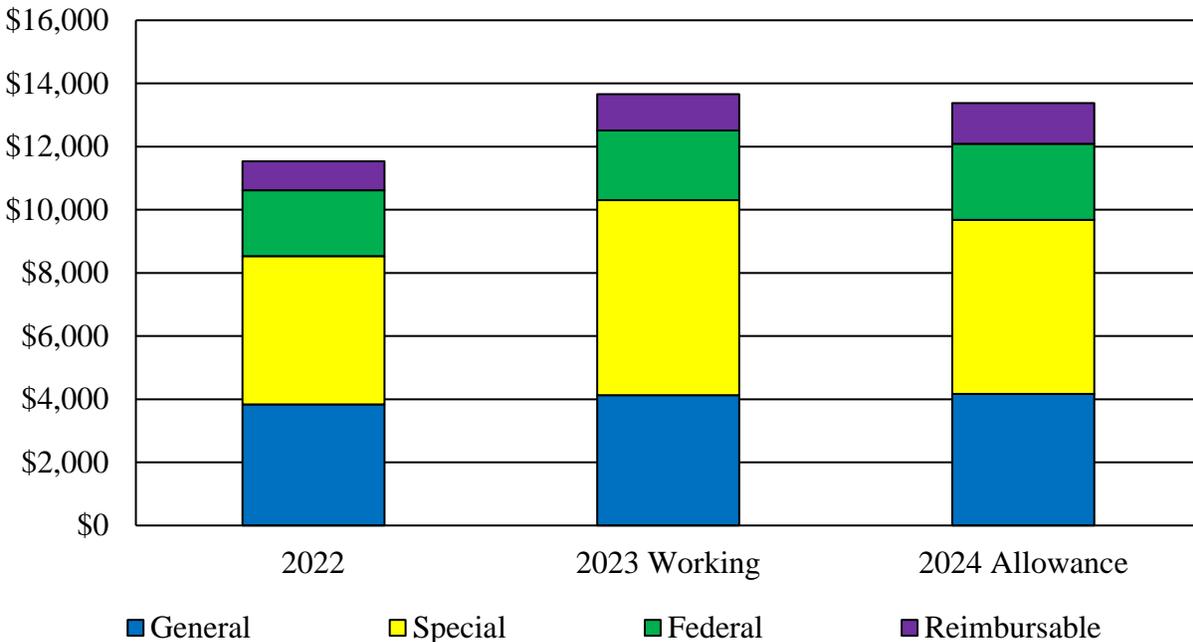
D12A02
Department of Disabilities

Program Description

The Maryland Department of Disabilities (MDOD) increases the capacity of Maryland communities to provide services in inclusive settings by creating a citizen-centered delivery system that allows individuals with disabilities to maintain agency over their lives. MDOD provides expertise and guidance to promote policies that incorporate accessible design into communities and technologies and comply with State and federal law. MDOD directs the development and implementation of the State Disabilities Plan and administers multiple programs to serve the needs of individuals with disabilities, including the Constituent Services Program, the Attendant Care Program (ACP), the Maryland Technology Assistance Program (MDTAP), the Access Maryland Program, and the Telecommunications Access of Maryland (TAM) Program. The MDOD budget unit includes the federally funded Developmental Disabilities Council, which operates separately from MDOD.

Operating Budget Summary

Fiscal 2024 Budget Decreases \$280,113, or 2.1%, to \$13.4 Million
(\$ in Thousands)



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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- A significant portion of MDOD’s budget is in special funds from the Universal Services Trust Fund (USTF), which supports multiple services under the TAM program and the Senior Call Check Program administered by the Maryland Department of Aging (MDOA).

Fiscal 2023

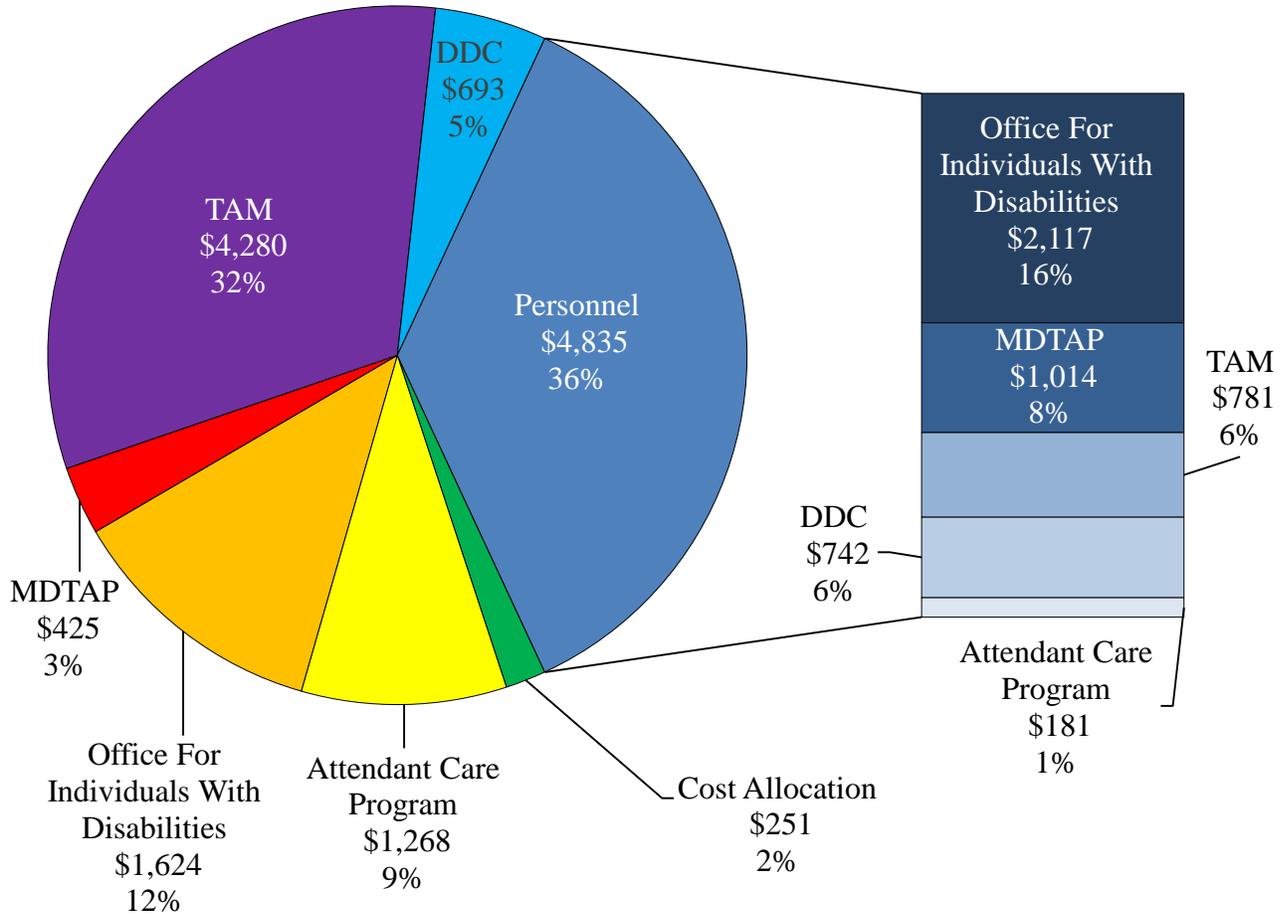
Proposed Deficiency

The fiscal 2024 budget includes one proposed deficiency appropriation for MDOD. The proposed deficiency of \$88,123 in federal funds is intended to support MDTAP. This program connects individuals to assistive technology devices and services and is funded through assistive technology grants from the Association of Community Living within the U.S. Department of Health and Human Services.

Fiscal 2024 Overview of Agency Spending

The fiscal 2024 allowance for MDOD totals \$13.4 million. As shown in **Exhibit 1**, expenditures under the TAM program make up 32% of the allowance (\$4.28 million). Programs TAM oversees include Maryland Relay, a free public service that enables phone calls for individuals unable to use a standard phone, and the Maryland Accessible Telecommunications (MAT) program, which loans accessible telecommunication equipment. Personnel expenditures make up the largest share of the allowance, with the Office for Individuals with Disabilities comprising nearly half the total personnel costs (\$2.12 million). This office provides information and referral services and operational oversight of MDTAP, which connects individuals to accessible technology, and ACP, which provides financial reimbursement for attendant care services necessary for individuals with severe conditions.

Exhibit 1
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Thousands)



DDC: Developmental Disabilities Council
 MDTAP: Maryland Technology Assistance Program
 TAM: Telecommunications Access of Maryland

Note: The fiscal 2024 allowance does not reflect salary enhancements that are budgeted in the Statewide Account within the Department of Budget and Management.

Source: Governor’s Fiscal 2024 Budget Books

Proposed Budget Change

Compared to the fiscal 2023 working appropriation, the total fiscal 2024 allowance decreases by \$280,113, or 2.1%. As shown in **Exhibit 2**, the most significant changes are a result of returning to pre-COVID-19 levels of service provision. Compared to the fiscal 2023 working appropriation, there is a \$151,982 increase in special funds reimbursing MDOA for its provision of the Senior Call Check Program. The Senior Call Check Program is paid for through the USTF. Discussion of the USTF balance and expenditures is included in Key Observation 1 of this analysis.

Exhibit 2
Proposed Budget
Department of Disabilities
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2022 Actual	\$3,832	\$4,700	\$2,087	\$912	\$11,532
Fiscal 2023 Working Appropriation	4,128	6,175	2,209	1,145	13,656
Fiscal 2024 Allowance	<u>4,167</u>	<u>5,509</u>	<u>2,417</u>	<u>1,283</u>	<u>13,376</u>
Fiscal 2023-2024 Amount Change	\$39	-\$666	\$208	\$139	-\$280
Fiscal 2023-2024 Percent Change	1.0%	-10.8%	9.4%	12.1%	-2.1%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Employee and retiree health insurance					\$56
Annualization of 4.5% COLA implemented in November 2022					50
Employee retirement.....					16
Salary and wage adjustments.....					6
Other fringe benefits					3
Telecommunications Access of Maryland					
Outreach efforts at in-state conferences due to continuation of in-person convening following the COVID-19 pandemic					57
Public relations, outreach, and related activities for relay services to align with recent experience					-110
Restructure of Maryland Accessible Telecommunications (MAT) program led to termination of evaluation service contracts, including those for MAT evaluation centers					-350
Reduction in assistive technology services equipment to align with pre-COVID-19 levels					-400
Housing Assistance					
New activities under MFP, including peer mentoring, enhanced transition assistance, improved information technology, housing assistance, flexible transition funds, and the addition of waiver services to existing waivers					62

D12A02 – Department of Disabilities

Where It Goes:	<u>Change</u>
Technical assistance expenses to support the creation of affordable housing opportunities for people with disabilities	29
Other Changes	
Reimbursement to Maryland Department of Aging for Senior Call Check Program expenses due to increased marketing efforts	151
Cost allocation and indirect costs	75
Contractual employee payroll.....	25
American Sign Language interpretation services for MDOD staff	20
Maryland Technology Assistance Program expenditures	14
Office space, supplies, and equipment	13
Other changes	3
Total	-\$280

COLA: cost-of-living-adjustment
MDOD: Maryland Department of Disabilities
MFP: Money Follows the Person

Note: Numbers may not sum to total due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Personnel Data

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 23-24</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	34.80	34.80	35.00	0.20
Contractual FTEs	<u>3.65</u>	<u>5.12</u>	<u>6.50</u>	<u>1.38</u>
Total Personnel	38.45	39.92	41.50	1.58

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding		
New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/22	2.00	5.75%
 Vacancies Above Turnover	 2.00	

- As of December 31, 2022, the 2 vacant positions at MDOD have been vacant for less than six months.

Key Observations

1. USTF Expenditures and Balance

The USTF supports multiple services under the TAM program, which provide accessible telecommunications services, and the Senior Call Check Program administered by MDOA. The USTF generates revenue from a \$0.05 surcharge on telecommunication services in the State. Each year, the Secretary of Disabilities is required to certify annual expenditures paid for by the USTF and recommend increases to the surcharge as appropriate to the Maryland Public Service Commission, which sets the surcharge rate.

The following programs are currently funded by USTF:

- ***Maryland Relay:*** Dual-party telecommunications relay service for residents who have difficulty using a standard telephone.
- ***MAT:*** Loans assistive telecommunications equipment and services to qualifying individuals.
- ***National Federation for the Blind Newline Reading Service:*** Provides periodicals in an accessible format for individuals who are blind or have vision difficulties.
- ***Deaf-blind Communication Facilitator Program:*** Provides communication facilitators and related support services to eligible individuals who cannot access telecommunications relay services in a traditional manner.
- ***Senior Call Check Program (Administered by MDOA):*** Provides a daily call check and notification service for participating seniors who live at home.

Committee narrative in the 2022 *Joint Chairman's Report* (JCR) requested that MDOD submit a report on the status of the USTF, anticipated expenditures of programs funded through the USTF, and a contingency plan for when the fund balance is exhausted. MDOD estimates that annual revenue for the USTF (\$2.8 million) will remain steady through fiscal 2027, while expenditures for programs and services paid for by the USTF are expected to increase. As a result, MDOD anticipates that it will recommend an increase to the surcharge in fiscal 2029.

MDOD projects increased expenditures in the Maryland Relay and the Senior Call Check Program. **Exhibit 3** shows the anticipated usage levels in TAM programs between fiscal 2023 and 2027. As shown in this exhibit, Maryland Relay usage is anticipated to grow by 9.5% between fiscal 2023 and 2027, while service levels for the other programs are expected to remain level. **Exhibit 4** shows the projected increase in both service utilization and expenditures for Maryland Relay through fiscal 2027. Following the 9% decrease in projected usage between fiscal 2023 and 2024, utilization of the program is expected to increase between approximately 6% and 7%

annually. Maryland Relay includes four relay services under the current five-year contract ending fiscal 2025. MDOD anticipates decreases in usage of two of these relay services through fiscal 2027. However, MDOD anticipates an increase in the Relay Conference Captioning (RCC) service and plans to launch a Real-time Text (RTT) service in fiscal 2024. MDOD launched RCC in fiscal 2020 and has found growing levels of utilization among participants and thus projects an increase of 20,000 minutes annually from the current fiscal year. RTT usage is expected to grow by 10,000 minutes annually. MDOD attributes these changes in usage to an overall increase in Internet- and text-based services among participants. MDOD reports that rising service fee costs per minute also contribute to the increased expenditure projections.

Exhibit 3
Service Utilization of TAM Programs
Fiscal 2023-2027

<u>Service</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Maryland Relay Usage in Minutes	221,523	201,486	214,552	229,636	242,548
MAT Loaned Applications	300	300	300	300	300
MAT Loaned Devices	475	475	475	475	475
Deaf-Blind CF Participants	150	150	150	150	150

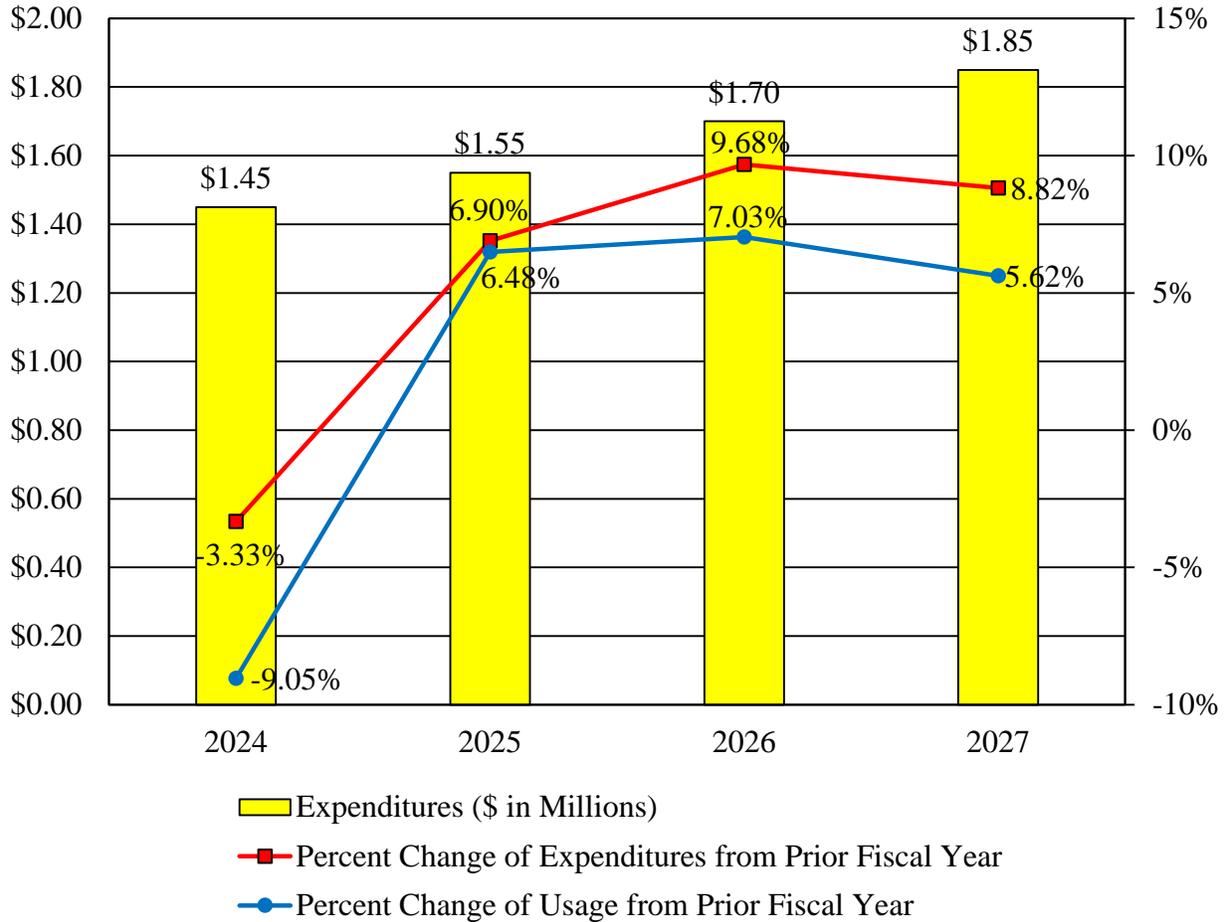
Deaf-Blind CF: Deaf-Blind Communication Facilitator Program

MAT: Maryland Accessible Telecommunications

TAM: Telecommunications Access for Maryland

Source: Maryland Department of Disabilities

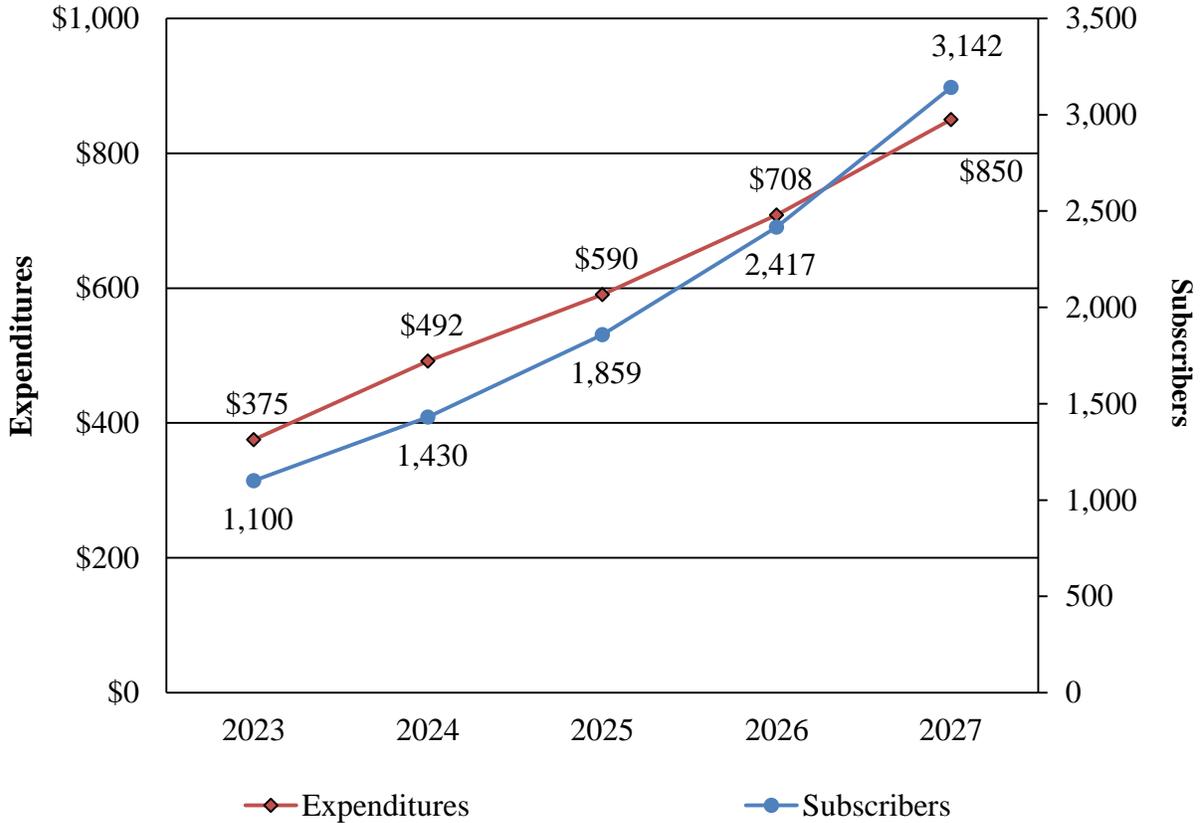
Exhibit 4
Projection of Maryland Relay Utilization and Expenditures
Fiscal 2024-2027
(\$ in Millions)



Source: Maryland Department of Disabilities

Chapter 673 of 2017 established the Senior Call Check Program with MDOA as the program administrator. Chapter 673 also designated the USTF as the program’s source of funding. MDOA invoices MDOD for reimbursement for actual program expenditures. In the response to the committee narrative, MDOA reported that it anticipates new marketing campaigns to increase demand for Senior Call Check services. As a result, MDOA projects service utilization to increase by 30% annually between fiscal 2023 and 2027. As shown in **Exhibit 5**, the estimated growth in participation would increase program costs by 31% (\$116,872) between fiscal 2023 and 2024 and by 20% annually beginning in fiscal 2024.

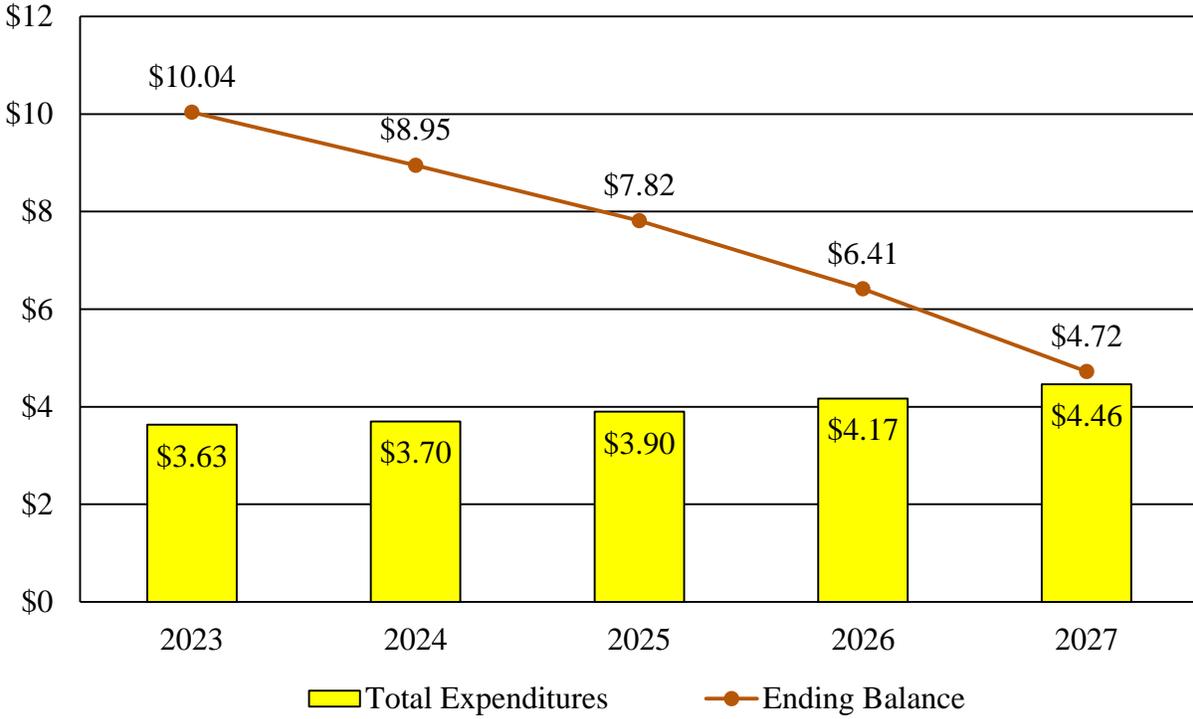
Exhibit 5
Senior Call Check Utilization and Expenditures
Fiscal 2023-2027
(\$ in Thousands)



Source: Maryland Department of Aging

As shown in **Exhibit 6**, the projected ending balance of the USTF in fiscal 2027 is nearly the same amount projected to be spent on programming in the same year. If revenue and expenses past fiscal 2027 remain relatively stable, the USTF will be spent down at the close of fiscal 2029. Therefore, MDOD anticipates an increase to the telecommunications surcharge will be required in fiscal 2029 to fully fund the programmatic demand. MDOD will continue to monitor the USTF balance and changes in expenditures and recommend an increase to the surcharge as necessary.

Exhibit 6
Estimated Revenue and Expenditures for the USTF
Fiscal 2023-2027
(\$ in Millions)



USTF: Universal Services Trust Fund

Source: Maryland Department of Disabilities

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 JCR requested that MDOD prepare one report. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Expenditures and Projected Balance of the USTF:*** MDOD submitted a report on actual fiscal 2022 expenses funded by the USTF and estimated projections for service utilization and the fund’s depletion. Further discussion of the USTF can be found in Key Observation 1 of this analysis.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	June 21, 2018 – August 15, 2022
Issue Date:	December 13, 2022
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	N/A

The audit of MDOD released in December 2022 disclosed no findings.

**Appendix 3
Object/Fund Difference Report
Department of Disabilities**

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	34.80	34.80	35.00	0.20	0.6%
02 Contractual	3.65	5.12	6.50	1.38	27.0%
Total Positions	38.45	39.92	41.50	1.58	4.0%
Objects					
01 Salaries and Wages	\$ 3,851,900	\$ 4,196,575	\$ 4,429,028	\$ 232,453	5.5%
02 Technical and Special Fees	221,436	333,211	405,712	72,501	21.8%
03 Communication	54,753	63,805	66,918	3,113	4.9%
04 Travel	91,836	92,074	154,366	62,292	67.7%
06 Fuel and Utilities	1,896	3,472	2,964	-508	-14.6%
07 Motor Vehicles	35,852	40,180	40,360	180	0.4%
08 Contractual Services	4,637,446	6,188,738	5,670,656	-518,082	-8.4%
09 Supplies and Materials	47,617	23,150	35,230	12,080	52.2%
10 Equipment – Replacement	9,331	16,576	11,450	-5,126	-30.9%
11 Equipment – Additional	29,100	80,800	82,700	1,900	2.4%
12 Grants, Subsidies, and Contributions	2,266,283	2,126,305	2,175,202	48,897	2.3%
13 Fixed Charges	284,446	293,172	301,303	8,131	2.8%
Total Objects	\$ 11,531,896	\$ 13,458,058	\$ 13,375,889	-\$ 82,169	-0.6%
Funds					
01 General Fund	\$ 3,832,163	\$ 4,076,722	\$ 4,167,361	\$ 90,639	2.2%
03 Special Fund	4,699,951	6,145,814	5,508,524	-637,290	-10.4%
05 Federal Fund	2,087,292	2,091,019	2,416,664	325,645	15.6%
09 Reimbursable Fund	912,490	1,144,503	1,283,340	138,837	12.1%
Total Funds	\$ 11,531,896	\$ 13,458,058	\$ 13,375,889	-\$ 82,169	-0.6%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.