

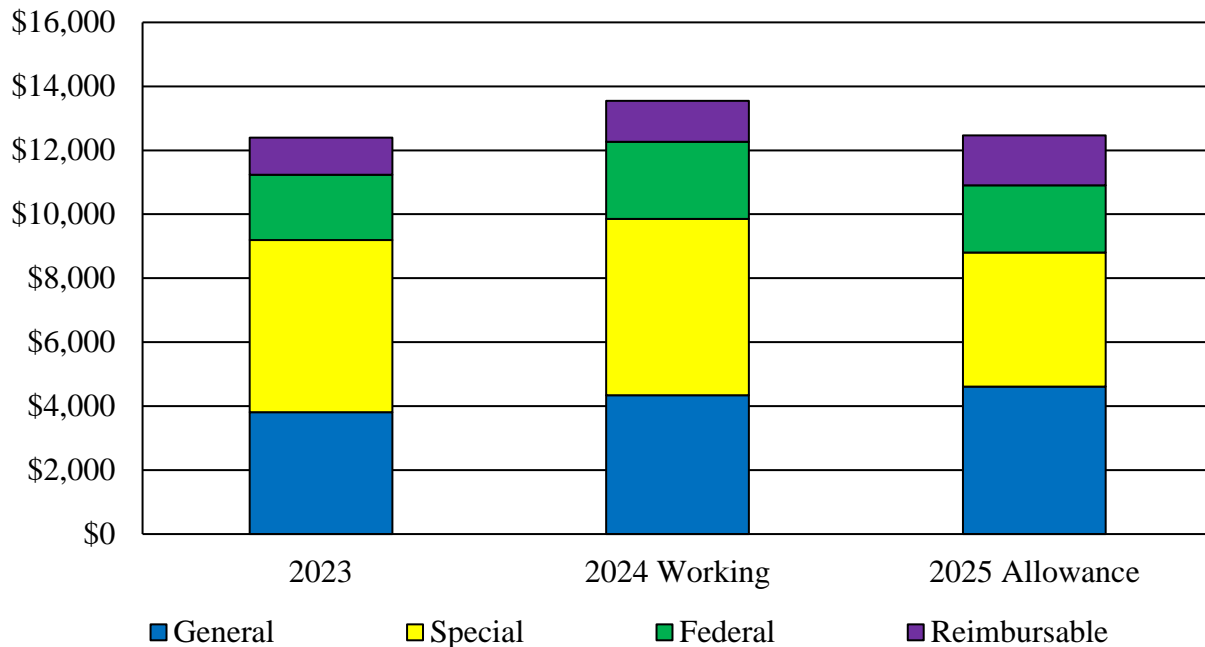
D12A02
Department of Disabilities

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’s programs, including Access Maryland, the Attendant Care Program (ACP), the Maryland Technology Assistance Program (MDTAP), the Constituent Services Program, and the Telecommunications Access of Maryland (TAM) Program, address the specific needs of individuals with disabilities. The federally funded Developmental Disabilities Council, which operates separately from MDOD, is also included in this budget unit.

Operating Budget Summary

Fiscal 2025 Budget Decreases \$1.1 Million, or 8.0%, to \$12.5 Million
(\$ in Thousands)



Note: The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM are not included in this agency’s budget.

For further information contact: Nathaly Andrade

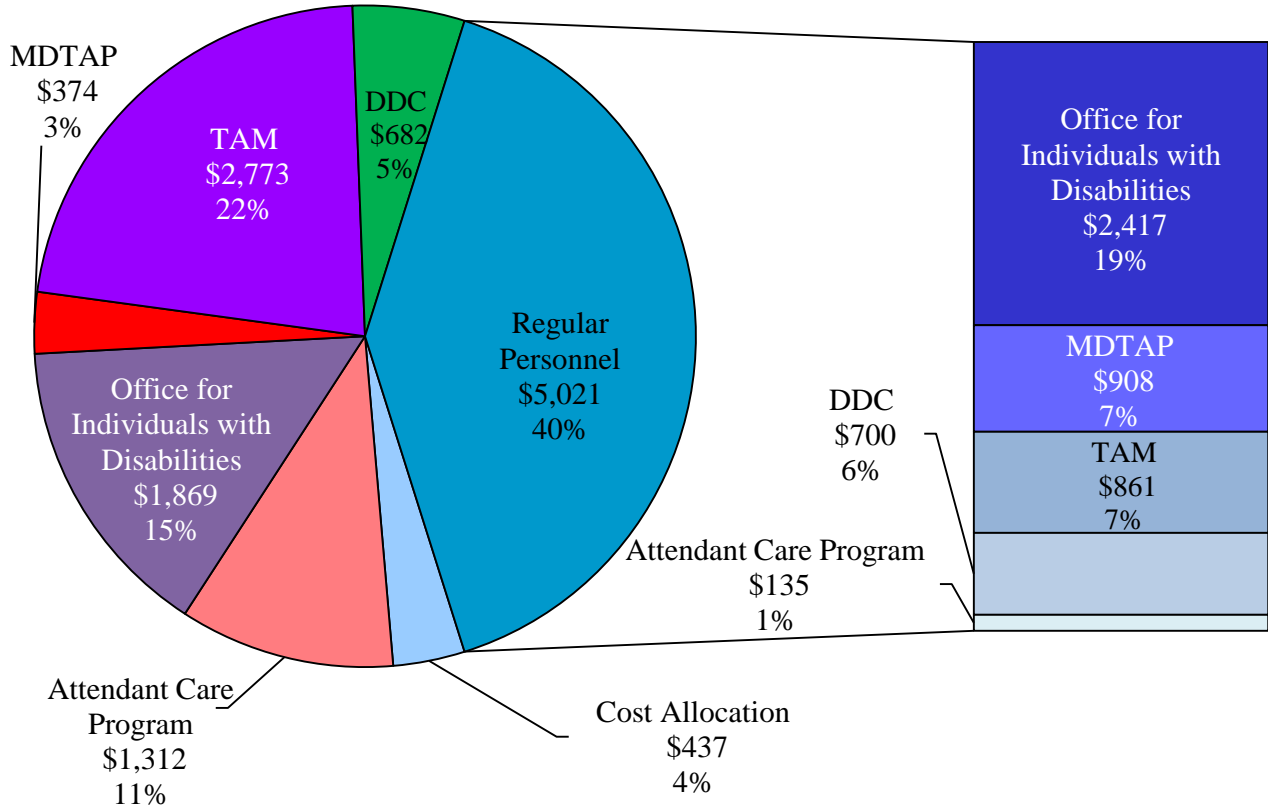
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- A significant portion of MDOD’s fiscal 2025 allowance (29%) is in special funds from the Universal Services Trust Fund (USTF), which predominantly supports the TAM program.

Fiscal 2025 Overview of Agency Spending

The fiscal 2025 allowance for MDOD totals \$12.5 million. As shown in **Exhibit 1**, regular personnel expenditures constitute the largest share of the allowance (40%), with the Office for Individuals with Disabilities accounting for \$2.4 million, or nearly half of the personnel costs. This office provides information and referral services and operational oversight of MDTAP and ACP. MDTAP connects individuals to accessible technology, and ACP offers financial reimbursement for attendant care services necessary for individuals with severe conditions. Other operating expenditures under the TAM program make up 22% of the allowance, totaling \$2.8 million. The TAM program oversees initiatives such as Maryland Relay, a free public service facilitating phone calls for individuals unable to use a standard phone, and the Maryland Accessible Telecommunications (MAT) program, which lends accessible telecommunications equipment.

**Exhibit 1
Overview of Agency Spending
Fiscal 2025 Allowance
(\$ in Thousands)**



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

Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2025 Budget Books

Proposed Budget Change

Compared to the fiscal 2024 working appropriation, the fiscal 2025 allowance decreases by \$1.1 million, or 8.0%. As shown in **Exhibit 2**, the primary factor contributing to this change is a reduction of \$1.3 million in special funds. Specifically, USTF expenditures supporting the TAM program decrease by \$1.4 million. Further details regarding USTF spending and projected balance are provided 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 2023 Actual	\$3,811	\$5,385	\$2,040	\$1,158	\$12,393
Fiscal 2024 Working Appropriation	4,345	5,506	2,414	1,283	13,549
Fiscal 2025 Allowance	<u>4,611</u>	<u>4,193</u>	<u>2,104</u>	<u>1,562</u>	<u>12,470</u>
Fiscal 2024-2025 Amount Change	\$266	-\$1,313	-\$310	\$279	-\$1,078
Fiscal 2024-2025 Percent Change	6.1%	-23.9%	-12.9%	21.8%	-8.0%

Where It Goes:

Change

Personnel Expenses

Salary increases and associated fringe benefits including fiscal 2024 COLA and increments.....	\$212
2.0 new positions to support MDTAP and the TAM program	189
Other fringe benefit adjustments.....	19

TAM

Advertising and publication to encourage utilization of the DeafBlind Communication Facilitator program and incorporate lower volume vendors for specialized accessible telecommunications equipment	703
Budget reallocation among MAT vendors that reflects changes in demand for accessible telecommunications equipment.....	-100
MAT program has concluded its contracts with individual vendors for the acquisition of assistive technology	-350
Reduced spending on captioned and relay telecommunications services, with adjustments made to the TRS contract to align with the expected decrease in traffic levels.....	-1,700

D12A02 – Department of Disabilities

Where It Goes:	<u>Change</u>
Office for Individuals with Disabilities	
Cooperation between MDH Medicaid and DDA to cover maintenance for the housing registry, tenant services training, program evaluation services, and case management support.....	281
Cooperation between MDOD, DDA, and MDL for Maryland Project Search that involves funding for professional development for staff at Project Search sites around the State	51
Housing registry contract costs decreased by leveraging fiscal 2024 spending for systems enhancement and completing the establishment of a registry under MDOD’s partnership with DDA	-56
MFP – Peer Outreach and Support, nonrenewal of a contract to provide these services in the Eastern Shore region	-103
Other Changes	
Cost allocation	186
Hire of a temporary administrative assistant for the Attendant Care Program	50
Office space	-114
MDTAP, nonrenewal of a contract for AT Regional Demo and Loan services in the Eastern Shore region	-123
Contractual personnel, driven by a net decrease of 3.0 full-time equivalent positions	-186
Other expenditures	-37
Total	-\$1,078

- AT: Assistive Technology
- COLA: cost-of-living adjustment
- DDA: Developmental Disabilities Administration
- MAT: Maryland Accessible Telecommunications
- MDH: Maryland Department of Health
- MDL: Maryland Department of Labor
- MDTAP: Maryland Technology Assistance Program
- MFP: Money Follows the Person
- TAM: Telecommunications Access of Maryland
- TRS: Telecommunication Relay Services

Note: Numbers may not sum to total due to rounding. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel Data

	<u>FY 23 Actual</u>	<u>FY 24 Working</u>	<u>FY 25 Allowance</u>	<u>FY 24-25 Change</u>
Regular Positions	35.00	37.00	39.00	2.00
Contractual FTEs	<u>5.00</u>	<u>6.50</u>	<u>3.50</u>	<u>-3.00</u>
Total Personnel	40.00	43.50	42.50	-1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/1/23	3.00	8.1%
Vacancies Above Turnover	3.00	

- As of December 1, 2023, MDOD reported 3 vacant positions: 1 position under the TAM program that had been vacant for less than six months and 2 positions that had been vacant for less than nine months.
- The fiscal 2025 allowance provides 2 new positions within MDOD. These positions include one administrator position under MDTAP and one administrative specialist position under the TAM program.

Key Observations

1. TAM Program Expenditures and Projected USTF Balance

Established in calendar 1991, Maryland’s USTF mainly supports the TAM program. The USTF source of revenue is a monthly surcharge, currently set at \$0.05, applied to all telecommunication service bills in the State. This includes surcharges for landline telephone service accounts, wireless/cellular telephone service accounts, and Voice over Internet Protocol (VoIP) accounts. On an annual basis, the Secretary of Disabilities is required to certify annual USTF expenditures and recommend changes to the surcharge rate as needed to the Public Service Commission.

The USTF supports several programs, including:

- ***Maryland Relay:*** A dual-party telecommunications relay service that assists Marylanders facing challenges in using a standard telephone.
- ***MAT Program:*** This initiative offers assistive telecommunications equipment loans and services to individuals who qualify.
- ***National Federation for the Blind Newline Reading Service:*** This service provides periodicals in an accessible format for individuals who are blind or have vision difficulties.
- ***Communication Facilitator Program:*** Designed for eligible participants who cannot access telecommunications relay services in a traditional manner, this program offers communication facilitators and related support services.
- ***Senior Call Check Program (Administered by the Maryland Department of Aging):*** This program provides automated calls to participating seniors and, if necessary, follow-up calls to their representatives to ensure their safety. It shares messaging to help seniors remain healthy, avoid scams, and inform them about available supportive services. The fiscal 2025 allowance includes a total of \$419,967 in USTF to support this program.

TAM Program Utilization

Exhibit 3 shows estimates for the utilization of TAM services from fiscal 2023 to 2027. MDOD projects a 43.3% decline in relay services usage from fiscal 2023 to 2027. Specifically, teletypewriters (TTY) and captioned telephone usage are identified as the primary drivers of this decline, with projected decreases of 77% and 100%, respectively, for the same period. However, service levels for MAT loan applications and devices and the Deaf-Blind Communication Facilitator program are expected to remain consistent.

Exhibit 3
Estimated 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	244,291	182,591	154,061	140,660	138,462
Teletypewriters	167,552	143,918	94,061	60,660	38,462
Relay Conference Captioning	35,745	30,000	30,000	30,000	30,000
Real-time Text	0	5,000	30,000	50,000	70,000
Captioned Telephone	40,994	3,673	0	0	0
MAT Loan Applications	500	550	550	550	550
MAT Loan Devices	969	1000	1000	1000	1000
Deaf-Blind Communication Facilitator Program Assignments	406	500	500	500	500

MAT: Maryland Accessible Telecommunications

TAM: Telecommunications Access of Maryland

Source: Maryland Department of Disabilities

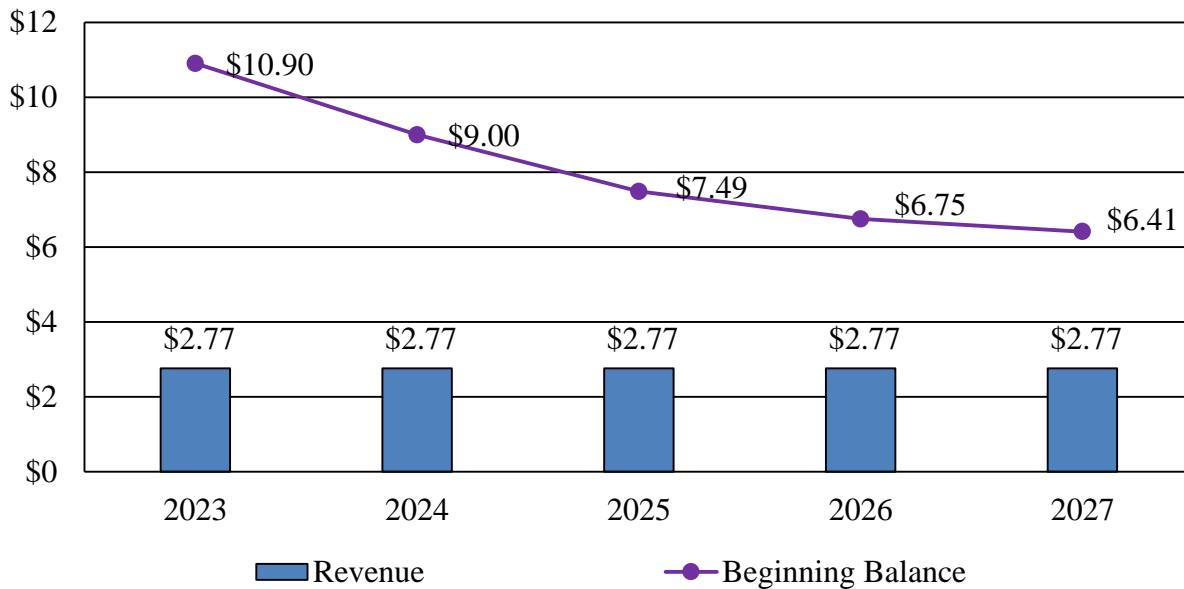
MDOD attributes the decline in demand for relay services to waning popularity of older relay service forms, coupled with the increasing adoption of more functionally equivalent relay services that are gaining traction among users. Specifically, recent advancements in accessible telecommunications, such as Zoom and video relay interpreters, have emerged in the market. These alternatives provide certain users with a more favorable experience compared to traditional captioners. MDOD anticipates that this trend will persist, leading to the stabilization of Relay Conference Captioning traffic around current levels, while TTY projected traffic will continue to decline. Furthermore, MDOD reports that a focus for the Maryland Relay team will be to identify a transition path for TTY users toward modern Real-time Text relay services, which is backwards-compatible with legacy TTY technology, providing an easier transition path.

Finally, the MAT program offers Maryland residents the opportunity to apply for free telecommunications equipment, including amplified phones, captioned telephones, and tablets, facilitating independent telephone communication. According to MDOD, during the beginning of the COVID-19 pandemic, more individuals stayed at home and relied on telecommunications but struggled to access the MAT program, leading the program to receive a total of 386 applications and distribute 531 devices in calendar 2020. In fiscal 2023, MAT applications returned to the higher pre-pandemic levels, totaling 500 with 969 devices distributed.

Projection of USTF Balance

Exhibit 4 shows the projected USTF balance by fiscal year, incorporating anticipated revenue for fiscal 2023 through 2027. At the close of fiscal 2023, the USTF initial balance was \$10.9 million. In the fiscal 2025 allowance, USTF expenditures for the TAM program decrease by \$1.4 million compared to the fiscal 2024 appropriation, consistent with the anticipated decline in utilization. Despite this reduced spending, MDOD anticipates increased USTF expenditures in the future as USTF balances are expected to show a steady decline over the coming years, while revenue is expected to stay consistent at \$2.77 million. The USTF balance falls to an estimated \$6.41 million by fiscal 2027. **MDOD should comment on the areas of USTF spending that are expected to increase in future years, driving the projected decline in USTF balances through fiscal 2027. The Department of Legislative Services recommends adopting committee narrative requesting that MDOD provide a report detailing the reasons and factors behind the anticipated increase in USTF spending.**

Exhibit 4
Estimated Balance and Revenues for the USTF
Fiscal 2023-2027
 (\$ in Millions)



USTF: Universal Services Trust Fund

Source: Maryland Department of Disabilities

Operating Budget Recommended Actions

1. Adopt the following narrative:

Universal Services Trust Fund (USTF) Expenditures: The Maryland Department of Disabilities (MDOD) projects declining USTF balances through fiscal 2027 due to increased expenditures. The committees request that MDOD submit a report providing an analysis of USTF expenditures, including:

- a breakdown of actual fiscal 2019 to 2023 expenditures and projected fiscal 2024 to 2029 expenditures by intended use of funds;
- reasons or factors contributing to the change in both actual and projected expenditures;
- specific programs or areas driving the increased spending within the Telecommunications Access of Maryland program; and
- a timeline of when MDOD anticipates the necessity for a surcharge increase and the proposed amount for the surcharge increase.

Information Request	Author	Due Date
Report on USTF expenditures	MDOD	September 15, 2024

**Appendix 1
Object/Fund Difference Report
Department of Disabilities**

<u>Object/Fund</u>	<u>FY 23 Actual</u>	<u>FY 24 Working Appropriation</u>	<u>FY 25 Allowance</u>	<u>FY 24 - FY 25 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	35.00	37.00	39.00	2.00	5.4%
02 Contractual	5.00	6.50	3.50	-3.00	-46.2%
Total Positions	40.00	43.50	42.50	-1.00	-2.3%
Objects					
01 Salaries and Wages	\$4,181,505	\$4,601,836	\$5,021,258	\$419,422	9.1%
02 Technical and Special Fees	217,743	405,712	219,881	-185,831	-45.8%
03 Communication	55,317	66,918	62,877	-4,041	-6.0%
04 Travel	121,380	154,366	146,853	-7,513	-4.9%
06 Fuel and Utilities	3,073	2,964	3,500	536	18.1%
07 Motor Vehicles	34,451	40,360	35,230	-5,130	-12.7%
08 Contractual Services	5,287,689	5,670,656	4,499,223	-1,171,433	-20.7%
09 Supplies and Materials	37,344	35,230	53,888	18,658	53.0%
10 Equipment – Replacement	1,638	11,450	11,950	500	4.4%
11 Equipment – Additional	19,000	82,700	71,300	-11,400	-13.8%
12 Grants, Subsidies, and Contributions	2,126,669	2,175,202	2,156,573	-18,629	-0.9%
13 Fixed Charges	307,668	301,303	187,788	-113,515	-37.7%
Total Objects	\$12,393,477	\$13,548,697	\$12,470,321	-\$1,078,376	-8.0%
Funds					
01 General Fund	\$3,810,612	\$4,345,028	\$4,611,272	\$266,244	6.1%
03 Special Fund	5,384,948	5,506,089	4,192,746	-1,313,343	-23.9%
05 Federal Fund	2,040,087	2,414,240	2,103,811	-310,429	-12.9%
09 Reimbursable Fund	1,157,830	1,283,340	1,562,492	279,152	21.8%
Total Funds	\$12,393,477	\$13,548,697	\$12,470,321	-\$1,078,376	-8.0%

Note: The fiscal 2024 appropriation does not include cross-the-board reductions. The fiscal 2025 allowance does not include cost-of-living adjustments.