

**D12A02**  
**Department of Disabilities**

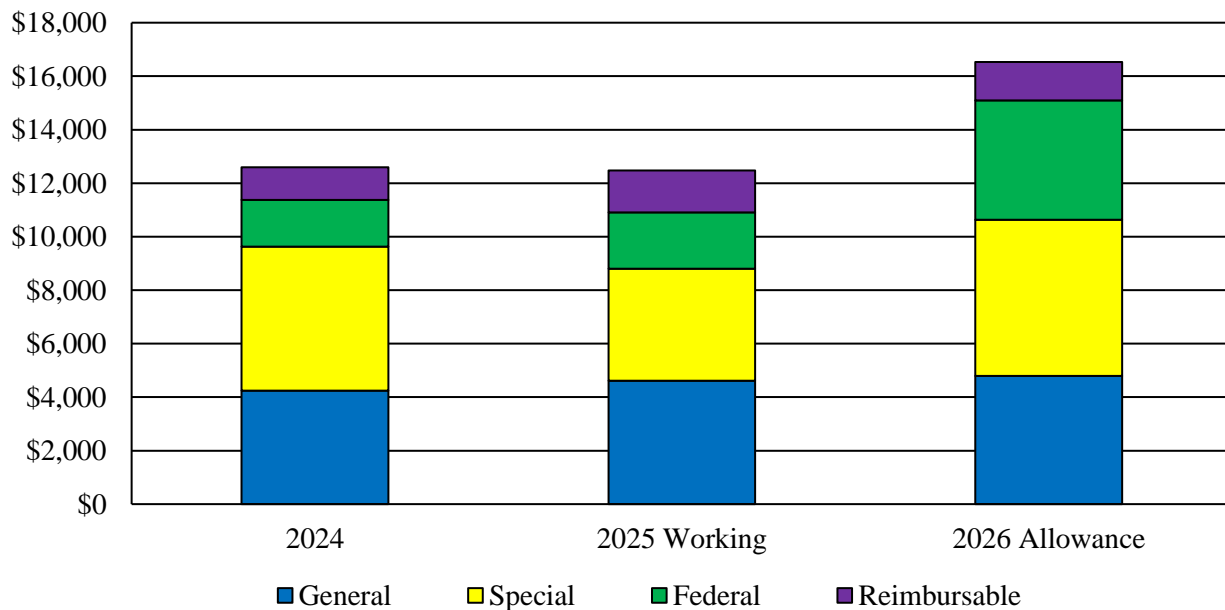
**Program Description**

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***

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**Fiscal 2026 Budget Increases \$4.1 Million, or 32.6%, to \$16.5 Million**  
**(\$ in Thousands)**



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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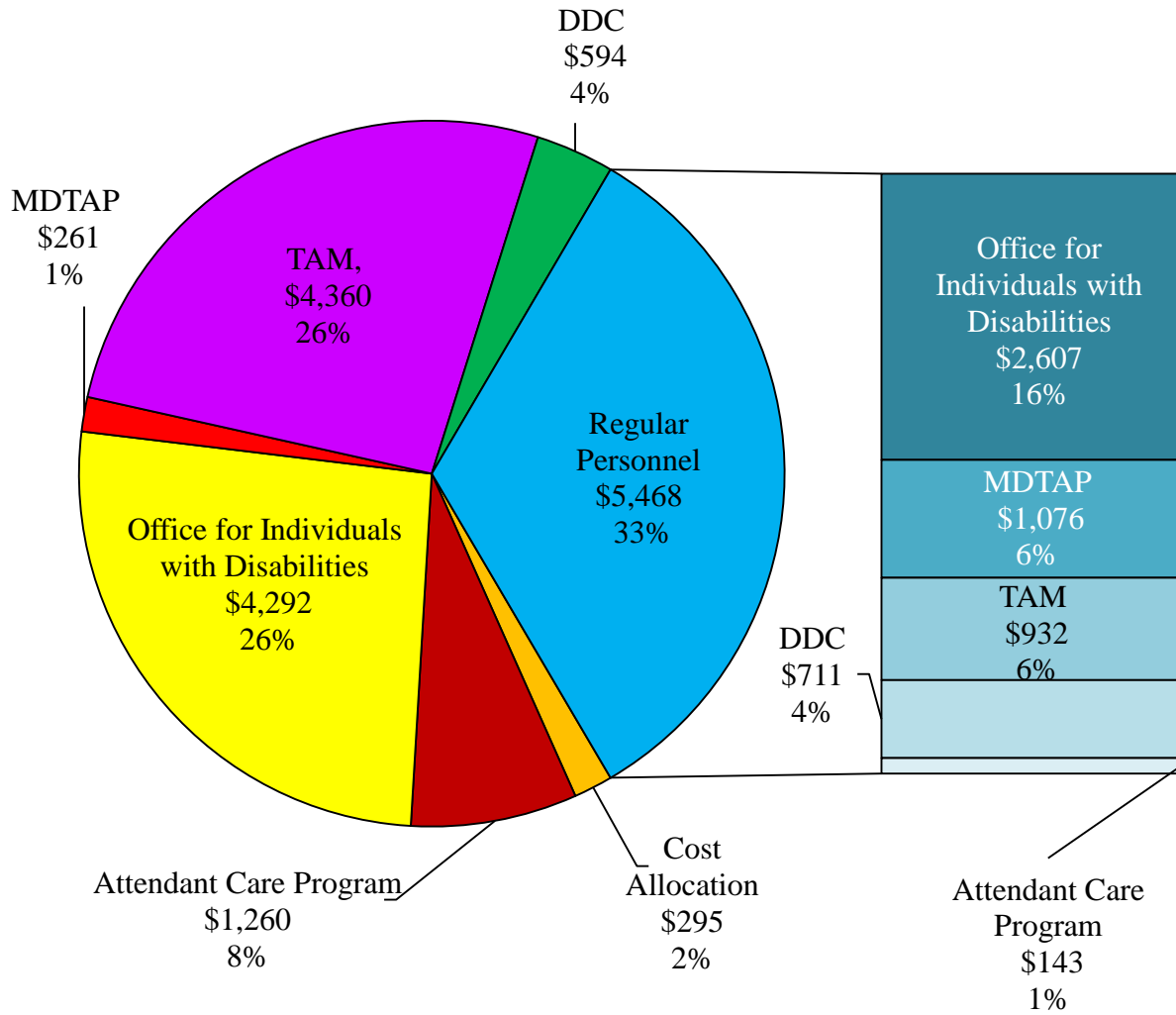
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- The \$4.1 million increase in the fiscal 2026 allowance compared to the fiscal 2025 working appropriation is primarily driven by an increase of \$1.6 million and \$2.4 million in special and federal funds, respectively. The additional federal funds are due to recent awards and the special funds based on demand in TAM programs.

## **Fiscal 2026 Overview of Agency Spending**

The fiscal 2026 allowance for MDOD totals \$16.5 million. As shown in **Exhibit 1**, regular personnel expenditures constitute the largest share of the allowance (33%), with the Office for Individuals with Disabilities accounting for \$2.6 million, or 48%, 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 and the Office for Individuals with Disabilities each account for 26% of the fiscal 2026 allowance. 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 2026 Allowance**  
**(\$ in Thousands)**



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

Note: The fiscal 2026 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 2026 Budget Books

**Proposed Budget Change**

Compared to the fiscal 2025 working appropriation, the fiscal 2026 allowance increases by \$4.1 million, or 32.6%. As shown in **Exhibit 2**, the primary factor contributing to this change is an increase of \$2.2 million in federal funds for implementing two federal programs, the Development of Inclusive Futures Program (DIF) and the Improving Children’s Assistance Program (ICAP), and \$1.2 million in special funds to meet current demand for MAT equipment among Maryland’s deaf and deaf-blind communities. These increases reflect areas addressed in recent budget amendments still in process. If these amendments had been incorporated into the working appropriation, the overall change between the working appropriation and the allowance would be less, a decrease of \$218,505 in total funds, consisting of an increase of \$570,470 in federal funds more than offset by a decrease of \$854,193 in special funds. Additional details on the special fund expenditures are discussed in Key Observation 1 of this analysis.

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

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2024 Actual	\$4,245	\$5,380	\$1,750	\$1,220	\$12,594
Fiscal 2025 Working Appropriation	4,611	4,193	2,104	1,562	12,470
Fiscal 2026 Allowance	<u>4,798</u>	<u>5,839</u>	<u>4,454</u>	<u>1,441</u>	<u>16,531</u>
Fiscal 2025-2026 Amount Change	\$187	\$1,646	\$2,350	-\$122	\$4,061
Fiscal 2025-2026 Percent Change	4.1%	39.3%	111.7%	-7.8%	32.6%

**Where It Goes:**

**Personnel Expenses**

	<b><u>Change</u></b>
Salary increases and associated fringe benefits including fiscal 2025 COLA and increments.....	\$336
Salary and fringe benefits for 1 new position.....	87
Reclassification.....	47
Employee and retiree health insurance.....	-23

**Office for Individual with Disabilities**

Federal fund increase for the implementation, management and evaluation of DIF and ICAP programs.....	2,188
Housing-tenant support services costs decreased to maintain the housing program waitlist.....	-65

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<b>Where It Goes:</b>	<u><b>Change</b></u>
<b>TAM</b>	
Special fund spending on captioned and relay telecommunications services, with adjustments made to the contract to align with the expected increase in traffic levels.....	1,248
Align with the projected expenditures of the MDOA Senior Call Check Program....	-17
Temporary office assistance not required in fiscal 2026.....	-25
<b>Other Changes</b>	
Contractual personnel, driven by a net increase of 3.5 full-time equivalent positions.....	284
Office space .....	95
Contract expenditures adjusted to align with projections and expiring contracts, new vendors will be identified in fiscal 2026.....	42
Decrease in the DDC due to adjustments in contracts for State plan activities and external consultant services.....	-67
Cost allocations .....	-98
Other expenditures.....	30
<b>Total</b>	<b>\$4,061</b>

COLA: cost-of-living adjustment	ICAP: Improving Children’s Assistance Program
DDC: Developmental Disabilities Council	MDOA: Maryland Department of Aging
DIF: Development of Inclusive Futures Program	TAM: Telecommunications Access of Maryland

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

In October 2024, MDOD received additional federal funds through two federal grants:

- **DIF:** This grant from the U.S. Department of Education supports the creation of a tool that connects students with accessible services, including vocational rehabilitation and long-term support.

MDOD will partner with the following organizations for the implementation of this grant: the Maryland State Department of Education (MSDE) Divisions of Early Intervention and Special Education Services and Rehabilitation Services (DORS); the University of Maryland’s Center for Transition and Career Innovation (CTCI) and Institute for Advanced Computing Studies; Parent’s Place of Maryland; the Maryland Department of Health (MDH) Developmental Disabilities Administration; Baltimore City Public Schools; Charles County Public Schools; and Wicomico County Public Schools.

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MDOD holds overall project management responsibility to ensure the project aligns with the grant application.

- **ICAP:** This grant from the Social Security Administration funds an assessment of the impact of outreach and assistance provided to children with disabilities who qualify for both Medicaid and Supplemental Security Income (SSI). The program focuses on improving employment outcomes for these children.

The ICAP grant involves a Randomized Control Trial research project evaluating various levels of outreach intensity for SSI benefits. The study will include 6,000 families whose children currently receive Medicaid and may be eligible for SSI. Participants will be divided into three groups:

- **Group 1 (Control):** Receives no additional outreach beyond publicly available SSI benefit information.
- **Group 2 (Outreach):** Receives information from MDOD about the benefits of SSI and how to apply for SSI benefits.
- **Group 3 (Outreach Plus):** Receives an outreach letter from MDOD along with an offer for one-on-one assistance in applying for SSI benefits.

MDOD will collaborate with the following organizations for this grant: Mathematica; Colgate University; CTCI; the University of Maryland; MSDE; DORS; the Governor’s Office for Children; the Maryland Department of Human Services; MDH; the Maryland Department of Labor; the University of Maryland, Baltimore County’s Hilltop Institute; and Parents Place of Maryland.

## ***Personnel Data***

	<b><u>FY 24</u></b> <b><u>Actual</u></b>	<b><u>FY 25</u></b> <b><u>Working</u></b>	<b><u>FY 26</u></b> <b><u>Allowance</u></b>	<b><u>FY 25-26</u></b> <b><u>Change</u></b>
Regular Positions	37.00	39.00	40.00	1.00
Contractual FTEs	<u>11.25</u>	<u>3.50</u>	<u>7.00</u>	<u>3.50</u>
<b>Total Personnel</b>	<b>48.25</b>	<b>42.50</b>	<b>47.00</b>	<b>4.50</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	0.02	0.05%
Positions and Percentage Vacant as of 12/31/24	2.00	5.13%
Vacancies Above Turnover	1.98	

- The fiscal 2026 allowance includes 1 new regular position, which is a contractual conversion of a longstanding position at MDTAP. Additionally, the fiscal 2026 allowance reflects a net increase of 3.5 contractual full-time equivalents (FTE). New contractual FTEs support efforts to improve employment outcomes for individuals with disabilities; the MDTAP program to provide support to the program; and provide administrative assistance to the TAM program.
- Committee narrative in the 2024 *Joint Chairmen’s Report* (JCR) requested that MDOD submit a report on 2.0 positions that had been vacant for less than nine months as of December 1, 2023, and its recruitment efforts. In its response, MDOD noted that it had conducted two unsuccessful recruitments for the Advanced Accountant position, as qualified candidates declined job offers due to the competitive market. MDOD has temporarily filled this role on a contractual basis, and a third recruitment was planned within six months. Developmental Disabilities Council conducted one recruitment but could not identify any qualified candidates from the certified list and is exploring ways to restructure the position before the next recruitment. As of December 31, 2024, these 2 positions remain vacant.

## ***Key Observations***

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### **1. Universal Services Trust Fund Expenditures**

Committee narrative in the 2024 JCR requested that MDOD submit a report detailing the reasons and factors behind the anticipated increase in Maryland’s Universal Service Trust Fund (USTF) spending. MDOD has submitted the requested report.

The USTF was established in 1991 to underwrite TAM program expenses. The USTF is funded by a nominal charge, currently \$0.05, applied to all communication service bills in Maryland, which collectively generates approximately \$2.7 million annually. The cost of the program is annually certified by the Secretary of Disabilities who then recommends a USTF surcharge rate to the Maryland Public Service Commission sufficient to generate revenues to fund USTF program costs through the following year.

The USTF funds the following programs:

- ***Maryland Relay:*** A dual-party telecommunications relay service for Marylanders who have difficulty using a standard telephone. Maryland Relay is transitioning from older analog relay services like teletypewriters (TTY) to newer, more functionally equivalent forms of relay service. The current five-year Maryland Relay program includes TTY relay, CapTel relay, remote conference captioning, and real-time text. The program also covers costs associated with public relations and outreach-related services.
- ***MAT:*** Provides assistive telecommunications equipment and services to qualifying individuals who have difficulty using a standard telephone. The MAT program has modernized in recent years to meet the accessible communication needs of a wider cross-section of individuals who have difficulty using a standard telephone. Recent changes include consolidation of evaluation and demonstration centers, bringing evaluation services in-house, and establishing new contractual relationships for procuring equipment.
- ***National Federation for the Blind (NFB-Newsline Reading Service):*** Operated by the Maryland State Library system, this service makes periodicals accessible to individuals who are blind or have vision difficulties. The costs for this program are fixed and are not expected to change.
- ***Communication Facilitator Program:*** This program, implemented in calendar 2020 and beginning operations in fiscal 2022, provides communication facilitators or related support services to eligible participants who cannot access traditional telecommunications relay services. The program was established following extensive deliberation with community members and advisory groups.

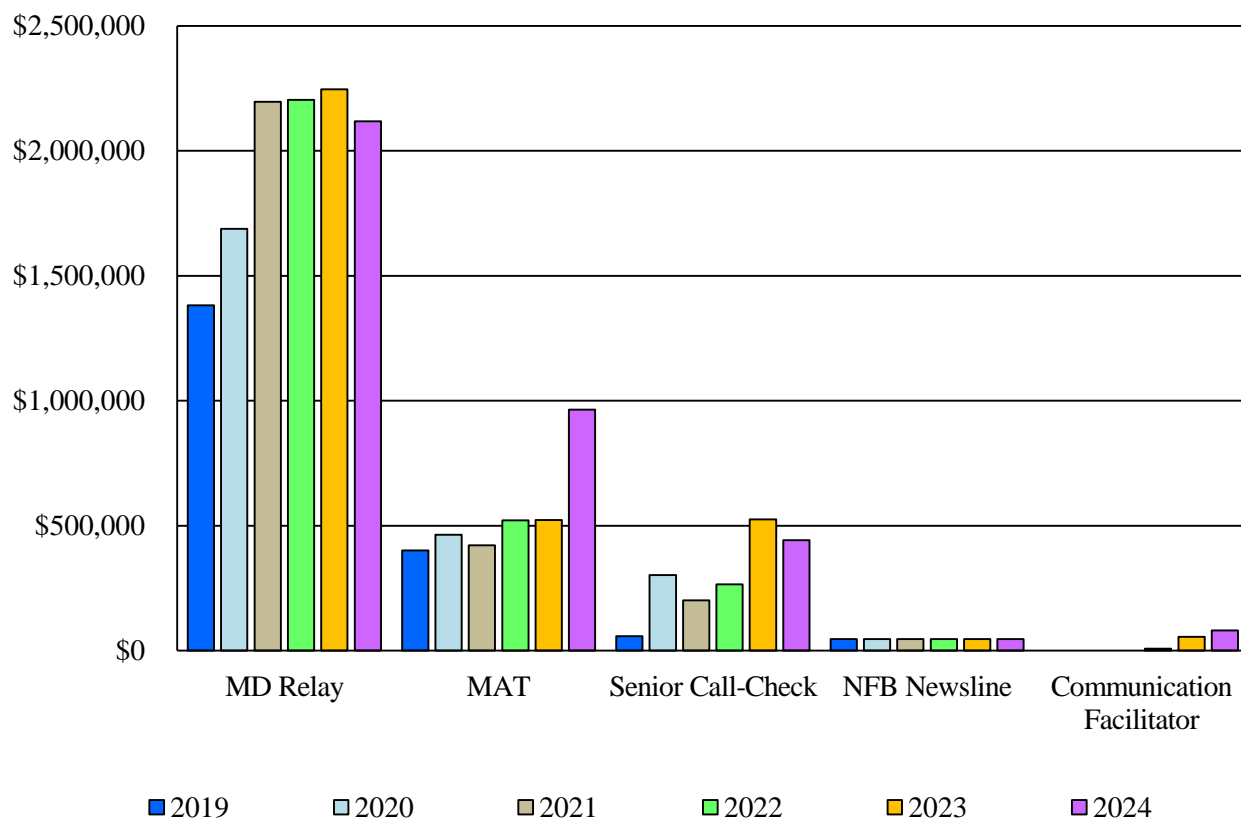


- **Senior Call Check Program:** Administered by the Maryland Department on Aging, this program provides call-check and notification services to eligible seniors. The program has seen slow growth in subscribers and is expected to continue expanding its reach through better accessibility and improvements in service delivery.

## **Expenditures**

Expenditures from the USTF increased from \$2.7 million in fiscal 2019 to \$4.9 million in fiscal 2024. This rise is attributed to both the expansion of existing programs, such as Maryland Relay and the MAT program, and the introduction of new programs, including the Senior Call Check and Communication Facilitator programs. **Exhibit 3** shows a breakdown of expenditures for USTF-funded programs from fiscal 2019 to fiscal 2024. The Senior Call Check program saw a substantial rise in expenditures, from \$58,664 in fiscal 2019 to \$442,092 in fiscal 2024. The Communication Facilitator program has minimal overall costs, but these costs have risen in the first years of the program from \$8,652 in fiscal 2022 to \$80,759 in fiscal 2024. The MD Relay program experienced a steady increase in costs, rising from \$1.4 million in fiscal 2019 to \$2.1 million in fiscal 2024, though there was a slight decline in fiscal 2024 compared to the previous year. Expenditures for the MAT program grew significantly, from \$401,877 in fiscal 2019 to \$965,046 in fiscal 2024, reflecting its expansion. In contrast, the NFB-Newsline program maintained consistent expenditures of \$46,500 annually throughout the period. These trends highlight the expansion of services provided by the USTF, particularly through the introduction and growth of the Senior Call Check and Communication Facilitator programs, which were key contributors to the overall increase in expenditures.

**Exhibit 3  
Expenditures of Programs Funded by the USTF  
Fiscal 2019-2024**



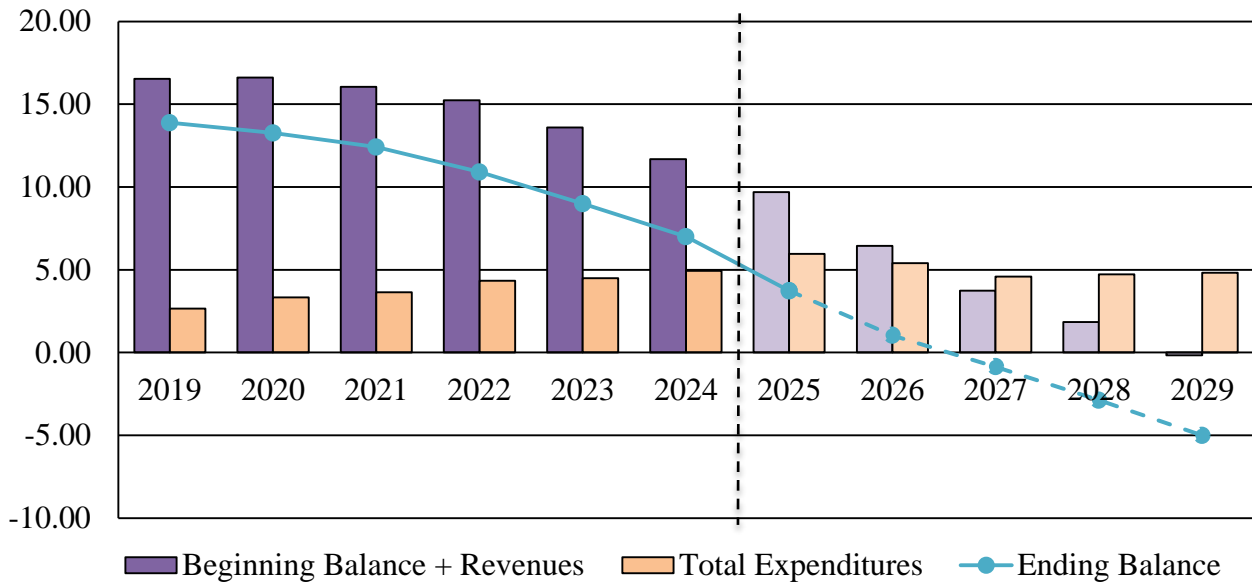
MAT: Maryland Accessible Telecommunications Program  
 NFB: National Federation for the Blind  
 USTF: The Universal Service Trust Fund

Source: Maryland Department of Disabilities; Department of Legislative Services

**Projections of the USTF Balance**

**Exhibit 4** shows MDOD projections of the USTF revenues, which will remain stable at approximately \$2.70 million per year between fiscal 2025 and fiscal 2029, with the USTF rate set at \$0.05. As projected in the department’s report submission, expenditures were expected to stay relatively consistent during this period, with adjustments between programs reflecting advancements in technology and shifting user needs.

**Exhibit 4**  
**Actual and Projected Revenue, Expenditures,**  
**and Ending Balance of the USTF**  
**Fiscal 2019-2029**  
**(\$ in Millions)**



USTF: Universal Service Trust Fund

Note: Fiscal 2025 expenditures have been revised to reflect a budget amendment in process. Projected ending balances for fiscal 2025 and beyond incorporate the revised expenditures and the fiscal 2026 allowance, expenditures after fiscal 2026 reflect the information as submitted by the department.

Source: Maryland Department of Disabilities; Department of Legislative Services

Despite projections indicating stability in expenditures, a budget amendment submitted in December 2024 raises concerns about the accuracy of these estimates. This amendment, not reflected in the fiscal 2025 working appropriation, increases funding for TAM programs by \$2.5 million. Specifically, Maryland Relay’s funding increases from \$800,000 to \$2.2 million, MAT from \$702,500 to \$1.3 million, and Senior Call-Check from \$492,457 to \$992,457. The higher funding needs stem from slower-than-expected reductions in relay traffic and increased demand for MAT equipment. The MAT equipment was an area where the department previously projected a gradual increase; however, the amendment indicates growth was larger than expected in fiscal 2025. Overall, MDOD noted factors leading to growth in this program are heightened awareness of the program, increased outreach, and the availability of new technologies for the deaf-blind community.

Maryland Relay traffic, which experienced a 30% decline in fiscal 2023, saw only a 9% reduction in fiscal 2025 due to uneven adoption of Internet protocol-based alternatives among certain populations, such as older adults and rural residents. Additionally, outreach and advertising efforts have maintained higher than expected participation levels. Rising per-minute relay service rates have further driven costs. The slower than expected decline led to the increased need for funding in the program. Consequently, Maryland Relay expenditures are projected to remain higher than initially anticipated, impacting the overall USTF balance.

The NFB-Newsline program's costs are projected to remain constant at \$46,500 annually. The Communication Facilitator program is projected to see a gradual increase in funding, rising from \$80,759 in fiscal 2024 to approximately \$140,000 in fiscal 2029. This growth is attributed to the expanding use of the service, particularly by deaf-blind clients. The recent budget amendment did not impact funding for these programs.

### **USTF Rate Adjustment**

At the current \$0.05 rate, the USTF is running an annual deficit of approximately \$1.7 million to \$2 million. MDOD's projections as submitted with the report suggested that without an increase in the rate, the fund will not be able to sustain its programs beyond fiscal 2028. At that time, MDOD recommended increasing the rate from \$0.05 to \$0.09 starting in fiscal 2028, when the USTF was expected to begin the fiscal year with a balance of \$1.5 million, enough to fund operations for roughly one fiscal quarter. A rate of \$0.09 would generate approximately \$4.86 million annually, closely aligning with projected expenditures, and would help stabilize the fund by balancing revenue with program costs.

However, the unexpected stability in Maryland Relay traffic and rising costs for MAT and other programs underscore the need for more robust forecasting and potential mid-cycle adjustments to the surcharge rate. The evolving demands on the USTF, including delayed transitions to digital relay services and increased equipment needs, suggest that MDOD may need to revisit its projections and funding strategies to ensure the sustainability of these critical programs. Based on the updated projections for fiscal 2025 and the fiscal 2026 allowance, the USTF balance will not be able to sustain its programs beyond fiscal 2026, with a projected deficit of \$0.86 million at the end of fiscal 2027. If fiscal 2026 expenditures are near the revised fiscal 2025 estimates, the fund may begin to run a deficit in fiscal 2026. Without adjustments to expenditures or the surcharge, the deficit would increase to \$5 million by fiscal 2029. **Given the updated projections, MDOD should comment on whether it anticipates revising the timing of its recommended surcharge increase to address the fund's earlier than expected depletion, as well as any alternative measures being considered to stabilize the fund.**

## **2. New Office of Disability Employment Advancement and Policy within MDOD**

To enhance employment opportunities for individuals with disabilities in Maryland State government, SB 433/HB 502 of 2025, an Administration bill, proposes to establish the Office of

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Disability Employment Advancement and Policy within MDOD. The bill introduces the “Maryland as a Model Employer Initiative,” beginning July 1, 2025, which would employ the following strategy, including:

- ***Promoting Inclusive Recruitment and Hiring:*** The initiative will actively encourage State agencies to recruit, hire, and retain qualified individuals with disabilities. This may involve outreach efforts, job fairs, and collaborations with disability organizations.
- ***Providing Training and Resources:*** The office will provide training and resources to State agencies on best practices for employing individuals with disabilities. This could include information on relevant laws, accessibility guidelines, and reasonable accommodations.
- ***Improving Workplace Accessibility:*** The initiative will focus on removing barriers for individuals with disabilities in the workplace. This may involve promoting the acquisition of assistive technology, improving physical accessibility, and addressing any systemic barriers that may exist.
- ***Data Collection and Evaluation:*** The office will collect data on the employment of individuals with disabilities within State government and evaluate the effectiveness of the initiative. This data will be used to identify areas for improvement and inform future policy decisions.

The bill would also require the Office of Disability Employment Advancement and Policy to submit an annual report to the Governor and General Assembly, detailing the initiative's progress and outcomes. **MDOD should comment on how this new office aligns with their mission and current activities and how they would integrate its functions into their existing structure. Furthermore, MDOD should clarify potential overlaps, challenges, or additional resources needed for implementation.**

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1**  
**2024 Joint Chairmen’s Report Responses from Agency**

The 2024 JCR requested that MDOD prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Report on USTF Expenditures:*** MDOD provided, as of September 2024, a report with an analysis of the USTF expenditures, including a breakdown of actual and projected expenditures, specific programs or areas driving the increased spending, and a timeline of when MDOD anticipates a surcharge increase. Further discussion of this data can be found in Key Observation 1 of this analysis.
- ***MDOD Efforts to Fill Vacant Positions:*** MDOD provided a report with information on the department’s efforts to fill vacant positions and employee recruitment efforts to fill those vacant positions. Further discussion of MDOD’s response is included in the Personnel section of this analysis.

**Appendix 2  
Object/Fund Difference Report  
Department of Disabilities  
FY 25**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	37.00	39.00	40.00	1.00	2.6%
02 Contractual	11.25	3.50	7.00	3.50	100.0%
<b>Total Positions</b>	<b>48.25</b>	<b>42.50</b>	<b>47.00</b>	<b>4.50</b>	<b>10.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 4,595,879	\$ 5,021,258	\$ 5,468,244	\$ 446,986	8.9%
02 Technical and Special Fees	314,158	219,881	503,557	283,676	129.0%
03 Communication	54,557	62,877	65,665	2,788	4.4%
04 Travel	104,200	146,853	163,147	16,294	11.1%
06 Fuel and Utilities	2,106	3,500	2,900	-600	-17.1%
07 Motor Vehicles	27,788	35,230	37,680	2,450	7.0%
08 Contractual Services	5,243,041	4,499,223	7,521,558	3,022,335	67.2%
09 Supplies and Materials	28,853	53,888	48,800	-5,088	-9.4%
10 Equipment – Replacement	4,277	11,950	52,950	41,000	343.1%
11 Equipment – Additional	6,648	71,300	68,300	-3,000	-4.2%
12 Grants, Subsidies, and Contributions	1,917,374	2,156,573	2,316,073	159,500	7.4%
13 Fixed Charges	295,040	187,788	282,387	94,599	50.4%
<b>Total Objects</b>	<b>\$ 12,593,921</b>	<b>\$ 12,470,321</b>	<b>\$ 16,531,261</b>	<b>\$ 4,060,940</b>	<b>32.6%</b>
<b>Funds</b>					
01 General Fund	\$ 4,244,584	\$ 4,611,272	\$ 4,798,424	\$ 187,152	4.1%
03 Special Fund	5,379,999	4,192,746	5,838,553	1,645,807	39.3%
05 Federal Fund	1,749,695	2,103,811	4,453,726	2,349,915	111.7%
09 Reimbursable Fund	1,219,643	1,562,492	1,440,558	-121,934	-7.8%
<b>Total Funds</b>	<b>\$ 12,593,921</b>	<b>\$ 12,470,321</b>	<b>\$ 16,531,261</b>	<b>\$ 4,060,940</b>	<b>32.6%</b>

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.