

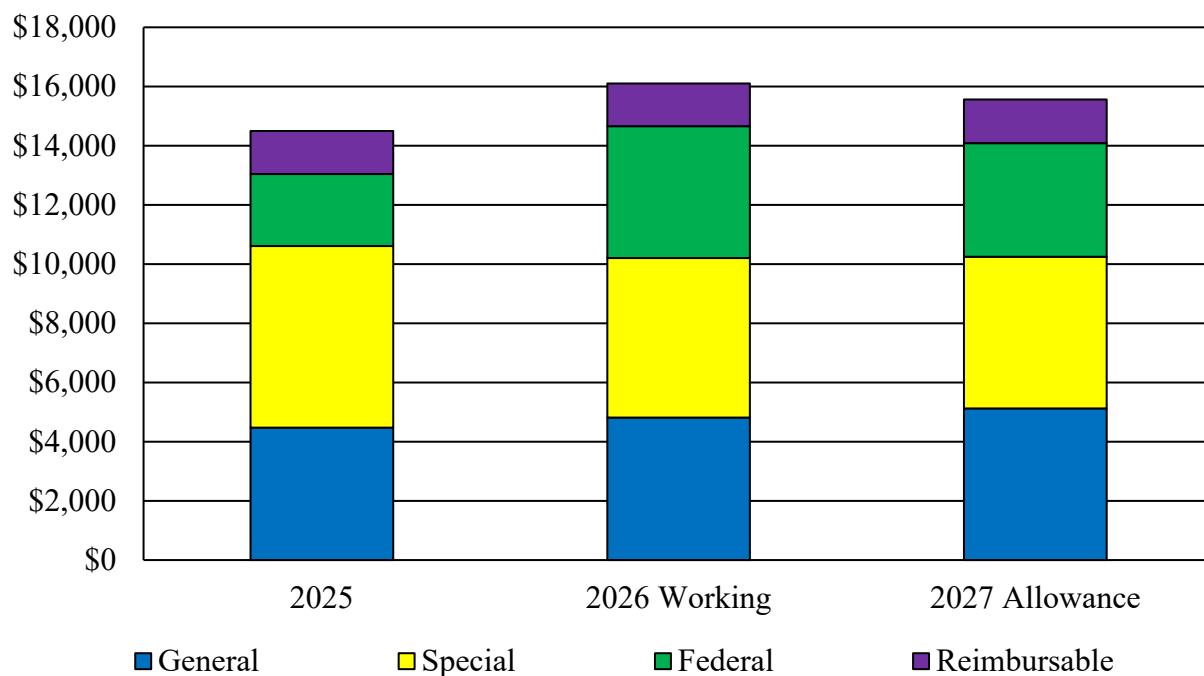
D12A02 Department of Disabilities

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, the Office for Disability Employment Advancement and Policy, and the Telecommunications Access of Maryland (TAM) Program, address the specific needs of individuals with disabilities. The federally funded Developmental Disabilities Council (DDC), which operates separately from MDOD, is also included in this budget unit.

Operating Budget Summary

Fiscal 2027 Budget Decreases \$540,663, or 3.4%, to \$15.6 Million
(\$ in Thousands)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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- The decrease of \$540,663 in the fiscal 2027 allowance compared to the fiscal 2026 working appropriation is primarily driven by federal funds, which decrease by \$612,192, or 13.7%, compared to the fiscal 2026 working appropriation.

Federal Recissions

On April 3, 2025, the Social Security Administration’s Research and Demonstration Office terminated the Interventional Cooperative Agreement Program (ICAP) funding that was awarded to MDOD in October 2024. The original award would have provided a total of \$4,500,000 over five years, including \$140,305 in expenditures in fiscal 2025 and \$884,321 that is included in the fiscal 2026 working appropriation. MDOD reports that all activities associated with the ICAP have ceased and that the cancellation of federal funds has had no impact on general or special fund expenditures. Although the award was canceled, the appropriation remains in fiscal 2026, overstating the change between years. If this amount was excluded, federal funds would increase by \$272,129 between fiscal 2026 and 2027.

Fiscal 2026

Proposed Deficiencies

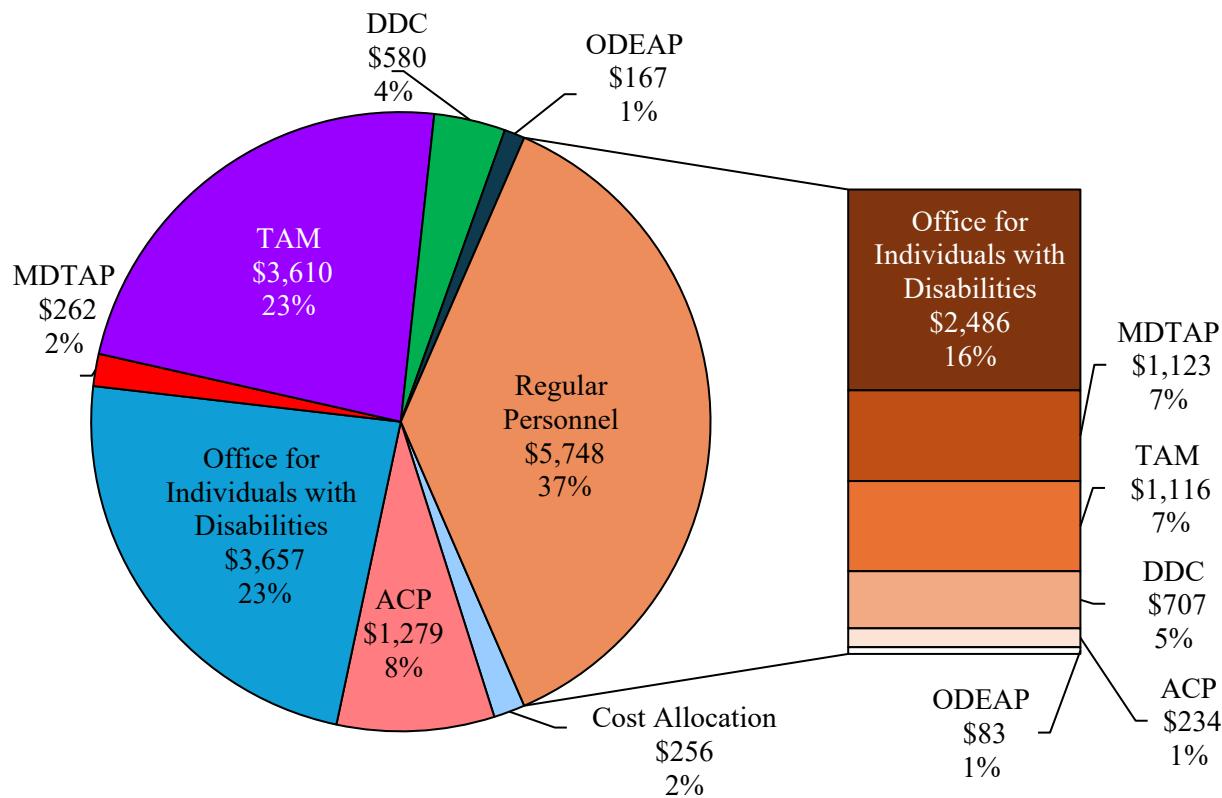
MDOD has personnel deficiencies totaling \$179,708, of which a portion is associated with the DDC, which include shortfalls related to lower than expected vacancy savings. In addition, a deficiency appropriation would withdraw \$450,000 of special funds from TAM. This proposed deficiency corrects the double-budgeting of the Senior Call Check Program, which is administered by the Maryland Department of Aging (MDOA). The fiscal 2026 budget as enacted included special funds in both MDOD and MDOA for the program. Accounting for a proposed deficiency appropriation in MDOA, the Senior Call Check Program remains funded at \$450,000 in fiscal 2026.

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for MDOD totals \$15.6 million. As shown in **Exhibit 1**, regular personnel expenditures across the department account for the largest share of the total budget (37%), with the Office for Individuals with Disabilities accounting for \$2.5 million (43% of total personnel costs). This office provides information and referral services and operational oversight of MDTAP and ACP. MDTAP, which accounts for 9% of the fiscal 2027 allowance, including both program costs and personnel, connects individuals to accessible technology. ACP, accounting for 9% of the fiscal 2027 allowance, offers financial reimbursement for attendant care services necessary for individuals with severe conditions. The TAM program, comprising 30% of the fiscal 2027 allowance, 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. The fiscal 2027 allowance for the Office of Disability Employment Advancement and Policy (ODEAP), the newest office in MDOD, totals \$250,001, including \$83,228 in personnel costs. ODEAP is discussed further in Key Observation 2 of this analysis.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Thousands)



ACP: Attendant Care Program

DDC: Developmental Disabilities Council

MDTAP: Maryland Technology Assistance Program

ODEAP: Office of Disability Employment Advancement and Policy

TAM: Telecommunications Access of Maryland

Note The fiscal 2027 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 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2027 allowance decreases by \$540,663, or 3.4%, compared to the fiscal 2026 working appropriation. The primary factor contributing to this change is the termination of the Social Security Administration's ICAP grant with MDOD, which has a total of \$884,321 in appropriation in fiscal 2026. A portion of the appropriation supported expenditures like personnel and cost allocations that continue in fiscal 2027 with different fund sources. However, the majority of ICAP funding (\$796,452) in fiscal 2026 was intended to support contracts primarily for early evaluation and implementation costs as well as case management for participants. Due to the recission, this funding does not continue in the fiscal 2027 allowance.

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

How Much It Grows:	General	Special	Federal	Reimb.	Total
	Fund	Fund	Fund	Fund	
Fiscal 2025 Actual	\$4,475	\$6,134	\$2,433	\$1,453	\$14,495
Fiscal 2026 Working	4,816	5,389	4,454	1,441	16,099
Fiscal 2027 Allowance	<u>5,121</u>	<u>5,125</u>	<u>3,842</u>	<u>1,471</u>	<u>15,558</u>
Fiscal 2026-2027 \$ Change	\$305	-\$264	-\$612	\$30	-541
Fiscal 2026-2027 % Change	6.33%	-4.89%	-13.75%	2.09%	-3.36%

Where It Goes:	Change
Personnel Expenses	
Employee and retiree health insurance.....	\$210
Salary increases and associated fringe benefits	93
Deferred compensation match due to statewide change in budgeting	12
Turnover expectancy increases from 0.06% to 1.29%	-61
Office for Individuals with Disabilities	
Training and technical assistance contracts for DIF grant with the U.S. Department of Education.....	413
Participant recruitment, training, and project planning related to the DIF grant.....	-285
Contracts and grants from termination of federally funded ICAP grant	-796

Where It Goes:	Change
TAM	
Advertising and legal publication services that are no longer provided by State contract	80
Software maintenance increase due to fiscal 2026 acquisitions.....	20
One time software acquisition costs in fiscal 2026 for software to administer and collect data for MAT program	-190
Captioned and relay telecommunications services to align with the expected decrease in expenditures for Maryland Relay and MAT	-250
Other Changes	
Contractual personnel, driven by a net increase of 3 FTE positions	159
Contracts for data collection and assistive technology services in ODEAP	102
Updates to One Stop Portal software to administer Attendant Care Program	20
Vehicle operation and maintenance.....	12
One-time assistive technology funding for DDC	-22
Cost allocations	-40
Other changes	-18
Total	-\$541

DDC: Developmental Disabilities Council

DIF: Development of Inclusive Futures Program

FTE: full-time equivalents

ICAP: Improving Children's Assistance Program

MAT: Maryland Accessible Telecommunications

ODEAP: Office of Disability Employment Advancement and Policy

TAM: Telecommunications Access of Maryland

Note: Numbers may not sum to total due to rounding. The fiscal 2027 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Additional notable areas of change include increases related to contractual personnel (which increases by \$158,773), primarily due to the addition of 3 contractual full-time equivalent (FTE) positions in the fiscal 2027 allowance and the new office.

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	39.00	40.00	40.00	0.00
Contractual FTEs	5.50	7.00	10.00	3.00
Total Personnel	44.50	47.00	50.00	3.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.52	1.29%
Positions and Percentage Vacant as of 12/31/2025	3.00	7.50%
Vacancies Above Turnover	2.48	

- The fiscal 2027 allowance includes an increase of 3 contractual FTEs, of which 1 supports the new ODEAP, 1 supports MDTAP, and 1 supports the TAM program. The new positions for MDTAP and TAM will support MDOD's participation in the Department of Service and Civic Innovation's Service Year Option program, working as IT Accessibility Specialists to improve MDOD's digital accessibility efforts. ODEAP is discussed further in Key Observation 2 of this analysis.
- As of December 31, 2025, MDOD reported 3 vacant positions, of which 2 positions had been vacant less than six months, and 1 position had been vacant between six and nine months. These positions include an administrative officer and an administrative specialist within TAM as well as an administrative officer within DDC.

Key Observations

1. Universal Services Trust Fund

The Universal Services Trust Fund (USTF) was established in 1991 to fund TAM program expenses through a fee applied to all telecommunication service bills in Maryland. Each year, the Secretary of Disabilities recommends a USTF surcharge rate to the Public Service Commission (PSC) that is sufficient to generate revenue to fund TAM program costs. Prior to calendar 2016, the surcharge was set at a level that led to annual surpluses in the USTF that accumulated over time, eventually reaching approximately \$15 million. In calendar 2016, the surcharge was lowered from \$0.11 per month to \$0.05 per month with the aim of reducing the fund's balance over time.

The USTF funds the following programs:

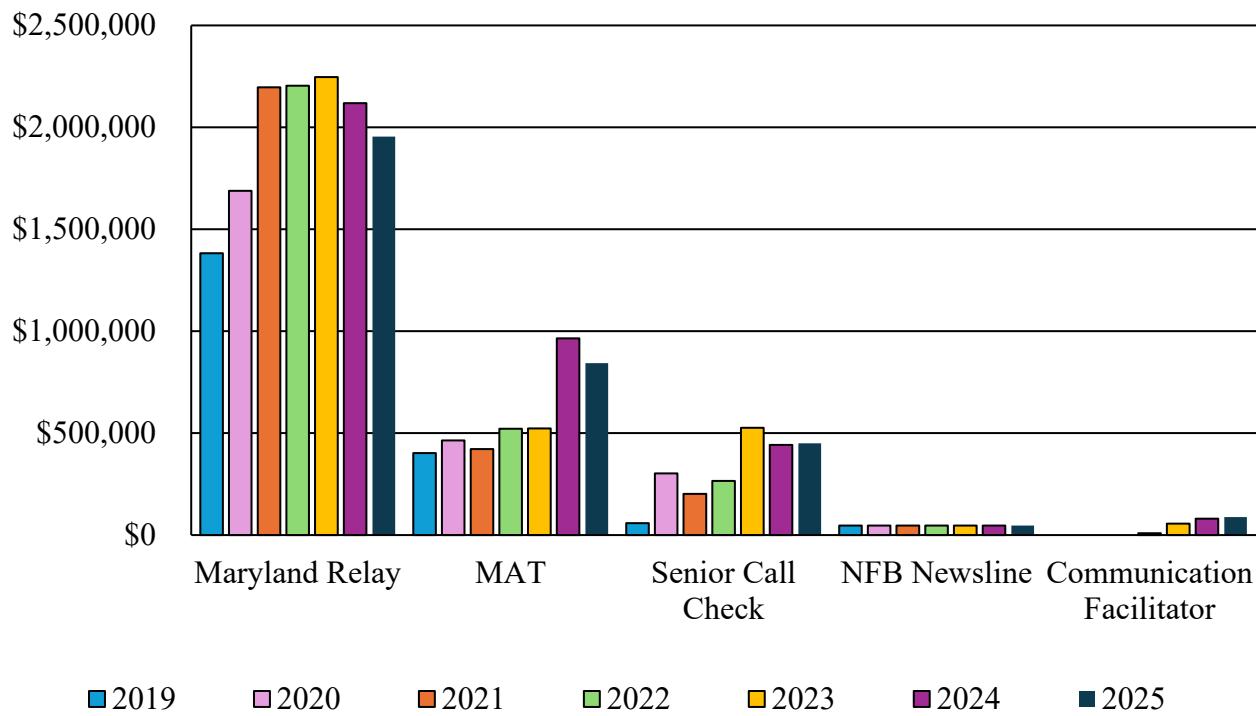
- ***Maryland Relay:*** A dual-party telecommunications relay service for Marylanders who have difficulty using a standard telephone. Maryland Relay is transitioning from older analog relay services like teletypewriters (TTY) to newer, more functionally equivalent forms of relay service. The current 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, which began operations in fiscal 2022, provides communication facilitators or related support services to eligible participants who cannot access traditional telecommunications relay services.
- ***Senior Call Check Program:*** Administered by MDOA, 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

While revenues from the surcharge have remained relatively stable since fiscal 2016, expenditures from the USTF increased substantially between fiscal 2019 (\$2.7 million) and fiscal 2025 (\$5.4 million). The increase is attributed to both the expansion of existing programs, such as Maryland Relay and the MAT program, as well as the introduction of new programs, including the Senior Call Check and Communication Facilitator programs. **Exhibit 3** provides a breakdown of expenditures for USTF-funded programs from fiscal 2019 to 2025. Maryland Relay expenditures account for the vast majority of expenditures in each of these years, though that proportion is decreasing. In fiscal 2021, Maryland Relay expenditures peaked at 76.6% of USTF-funded program expenditures. Since then, that percentage has declined each year, due both to a decline in Maryland Relay expenditures since fiscal 2022 as well as an increase in expenditures

for other programs. In fiscal 2025, Maryland Relay accounted for approximately 58% of all USTF program expenditures, with total costs of almost \$2 million, a 7.7% decrease from fiscal 2024.

Exhibit 3
Expenditures of Programs Funded by the USTF
Fiscal 2019-2025



MAT: Maryland Accessible Telecommunications

NFB: National Federation for the Blind

USTF: Universal Service Trust Fund

Source: Maryland Department of Disabilities; Department of Legislative Services

The second largest program, MAT, saw a slight decline in costs to \$843,475 in fiscal 2025 after surging from \$523,347 in fiscal 2023 to \$965,046 in fiscal 2024 (an 84.4% increase). MDOD attributes this increase in large part to program expansion, with added accessible equipment options to meet the needs of a wide range of participants. After a significant increase in expenditures between fiscal 2022 and 2023, the Senior Call Check program expenditures were effectively level between fiscal 2024 and 2025 (\$450,000). 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 \$88,220 in fiscal 2025. In contrast, the NFB Newsline program maintained consistent expenditures of \$46,500 annually throughout the period.

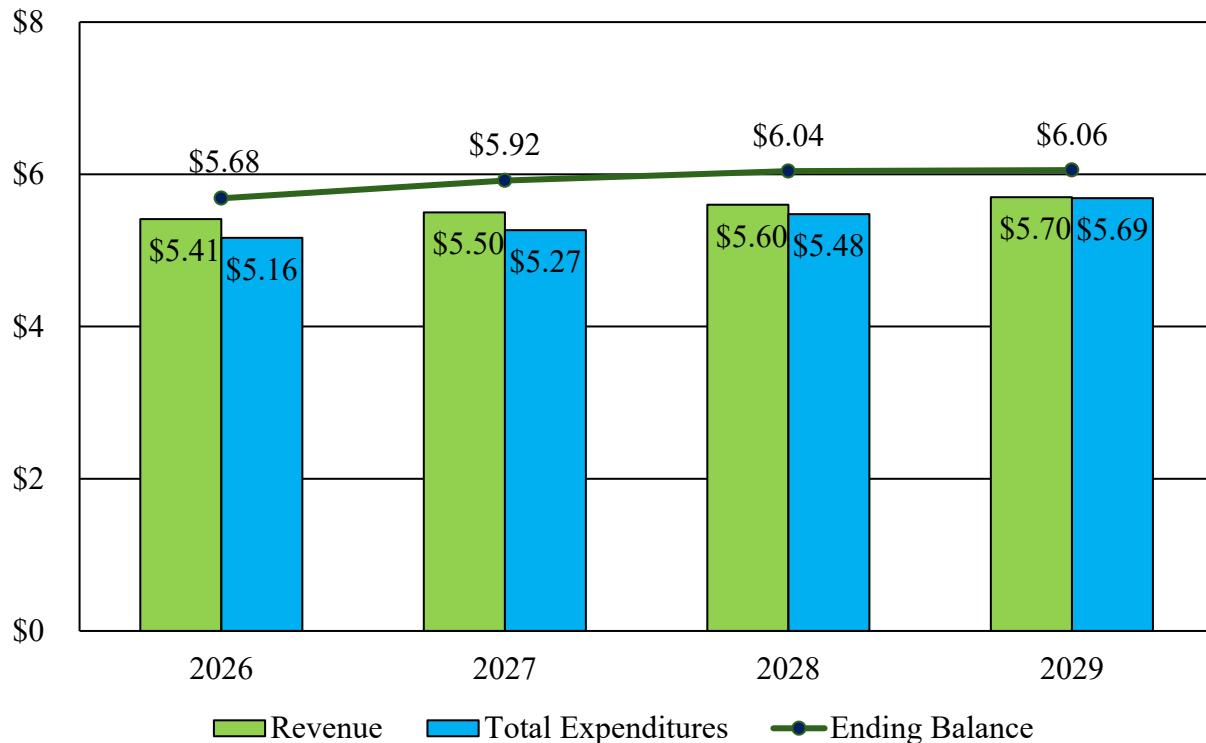
Rate Adjustment

Between fiscal 2019 and 2025, revenues from the USTF surcharge ranged from \$2.6 million to \$3.8 million per year, while expenditures grew each year, from \$2.6 million in fiscal 2019 to \$4.9 million in fiscal 2024. In November 2024, MDOD projected that at the \$0.05 per month surcharge rate, the USTF would not be able to sustain its programs beginning in fiscal 2027 and recommended that the surcharge be raised to \$0.09 per month effective July 1, 2025. PSC approved MDOD’s request at its December 18, 2024 administrative meeting, and the new rate became effective July 1, 2025. According to MDOD’s estimate at the time, the \$0.09 per month surcharge was projected to raise approximately \$5 million per year, better matching their estimated program costs for fiscal 2026 and beyond. This level of revenue would be a notable increase from the \$3.8 million in revenue in fiscal 2025, the year prior to the surcharge increase.

Projection of the USTF Balance

Exhibit 4 provides MDOD’s projection of USTF revenue, expenditures, and ending balance for fiscal 2026 through 2029 as of January 2026. At the close of fiscal 2025, the USTF balance was \$5.4 million. In the fiscal 2027 allowance, USTF expenditures for the TAM program decrease to \$4.8 million, 2.6% lower than the fiscal 2026 working appropriation, with an additional \$450,000 in MDOA for the Senior Call Check program. This brings the total USTF budget for fiscal 2027 to just under \$5.3 million. MDOD projects that USTF revenues will total \$5.4 million in fiscal 2026 due to the surcharge increase. Revenues are expected to slightly increase in subsequent years, reaching \$5.7 million in fiscal 2029. At that level, revenue would slightly exceed projected expenditures in each year, though the gap would shrink to \$13,500 in fiscal 2029.

Exhibit 4
Estimated Revenue and Expenditures for the USTF
Fiscal 2026-2029
(\$ in Millions)



USTF: Universal Service Trust Fund

Source: Maryland Department of Disabilities; Department of Legislative Services

2. New Office of Disability Employment Advancement and Policy Within MDOD

Chapter 1 of 2025 established ODEAP and created the Maryland as a Model Employer Initiative (MME) within ODEAP. MME is focused on promoting the recruitment, hiring, retention, and career advancement of people with disabilities in State government along with reducing barriers for both job seekers and employees with disabilities. ODEAP is responsible for implementing MME as well as coordinating with partner agencies to improve employment outcomes for Marylanders with disabilities.

In fiscal 2026, MDOD began preparations for implementing Chapter 1, which includes policy evaluations and listening sessions for how Maryland can best meet the goals of MME. The fiscal 2027 allowance for the office is \$250,001, primarily funding 1 regular position as well as a contractual FTE position. This position will work to improve employment outcomes for people with disabilities through professional development, training, and support to employers, job seekers, and other stakeholders. **MDOD should comment on preliminary findings from fiscal 2026 policy evaluations and listening sessions.**

3. Housing Programs in MDOD

SB 22/HB 226 of 2026 (departmental bills) would require MDOD to oversee and administer affordable and accessible housing programs beginning October 1, 2026. In addition to the new housing programs, these bills would require MDOD to establish one or more affiliated foundations that would be tasked with soliciting public and private contributions to support both the new housing programs as well as existing MDOD programs. Along with soliciting contributions, these foundations would be charged with building partnerships and promoting various MDOD activities including (1) awareness of, access to, and use of assistive technology; (2) training, technical assistance, and reasonable accommodations for the employment of people with disabilities; and (3) opportunities for accessible housing. MDOD would be required to submit an annual report on the foundations and conduct an audit of each foundation.

MDOD should comment on how it would integrate the new housing programs and foundation(s) into its existing work as well as any potential overlaps, challenges, or additional resources needed for implementation. Additionally, MDOD should comment on any potential operational or budgetary impacts of such a program.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Object/Fund Difference Report
Department of Disabilities

Object/Fund	FY 25	FY 26	FY 27	FY 26-27	
	<u>Actual</u>	<u>Working Appropriation.</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
Positions					
01 Regular	39.00	40.00	40.00	0.00	0.0%
02 Contractual	5.50	7.00	10.0	3.00	42.9%
Total Positions	44.50	47.00	50.0	3.00	6.4%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$5,123,207	\$5,494,025	\$5,748,182	\$254,157	4.6%
02 Technical and Special Fees	331,865	503,557	657,330	153,773	30.5%
03 Communications	44,204	65,665	54,855	-10,810	-16.5%
04 Travel	135,465	154,890	158,270	3,380	2.2%
06 Fuel and Utilities	2,362	2,900	4,200	1,300	44.8%
07 Motor Vehicle Operation and Maintenance	30,562	37,680	51,790	14,110	37.4%
08 Contractual Services	6,753,961	7,071,558	6,269,195	-802,363	-11.3%
09 Supplies and Materials	52,873	48,800	71,484	22,684	46.5%
10 Equipment – Replacement	920	52,950	52,600	-350	-0.7%
11 Equipment – Additional	19,001	68,300	37,100	-31,200	-45.7%
12 Grants, Subsidies, and Contributions	1,822,075	2,316,073	2,161,768	-154,305	-6.7%
13 Fixed Charges	178,131	282,387	291,348	8,961	3.2%
Total Objects	\$14,494,626	\$16,098,785	\$15,558,122	-\$540,663	-3.4%
Funds					
01 General Funds	\$4,475,223	\$4,815,948	\$5,120,957	\$305,009	6.3%
03 Special Funds	6,133,610	5,388,553	5,124,898	-263,655	-4.9%
05 Federal Funds	2,432,854	4,453,726	3,841,534	-612,192	-13.7%
09 Reimbursable Funds	1,452,939	1,440,558	1,470,733	30,175	2.1%
Total Funds	\$14,494,626	\$16,098,785	\$15,558,122	-\$540,663	-3.4%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.