



THE ADVOCATE

Encouraging Federal Budget Proposal for 2011

The Obama Administration's proposed 2011 federal budget, released February 1, offers encouraging news for older adults and the aging network. While overall non-defense discretionary spending is held flat for fiscal year 2011, this proposal reflects the President's interest in addressing the needs of the middle class, especially vulnerable populations, and includes a number of funding increases for programs which benefit older adults and their caregivers. Highlights, itemized in table form on page 2, include:

- Funding of Title III-B of the Older Americans Act, which funds support services coordinated by local Area Agencies on Aging, would receive a significant 13% increase.
- The National Family Caregiver Support Program would see a 31% increase.
- The Lifespan Respite program, to help family caregivers access quality respite care, would see its funding double to \$5 million.
- Elder Abuse and Long Term Care (LTC) Ombudsman programs would be lifted 6.4% over last year.
- Nutrition programs for older Americans would receive small, but important, 1% increase.
- Spending for other preventative health, long term care, and nursing home diversion programs would be level at \$51.5 million.
- The Senior Community Service Employment Program, which received a substantive increase last year, would have its funding reduced 37% to \$600 million.
- The Social Services Block Grant and the Community Services Block Grant would be frozen at last year's levels. These grants supplement essential services for seniors, such as nutrition and transportation.
- Funding for new housing developments as part of the Section 202 Housing for the Elderly Program, would be frozen and redesigned. Existing Section 202 housing contracts and renewals would be funded.

In addition, the President's proposal calls for a continuation of the increased Medicaid funding authorized in last year's stimulus measure. At an estimated \$26 billion, this infusion of funds could keep some states from cutting Medicaid enrollment at the end of 2010. This budget proposal is the first step in a lengthy process and will be subjected to careful examination and modification by Congress.

As always, you are encouraged to communicate with your Senator and Representative and gain their commitment to support the President's budget levels. We will keep you apprised of the developments both locally and in Washington throughout this budget cycle.

Key proposals for Aging Services in Federal 2011

Federal Aging Programs	FY 2010 Enacted	FY 2011 Proposed	Percentage difference from FY 2010
Supportive Services coordinated through state programs on aging	\$368,348,000	\$416,348,000	13%
Family Caregivers Support	154,200,000	202,220,000	31%
Lifespan Respite Care	2,500,000	5,000,000	100%
Elder Abuse/LTC Ombudsman	21,883,000	23,290,000	6.4%
Nutrition Programs	819,474,000	827,552,000	1%
Senior Community Service Employment Program	825,425,000	600,425,000	-37%

Governor proposes MI Choice Waiver funding increase for FY 2011

Michigan's 2011 budget, as presented by Governor Jennifer Granholm, proposes both spending increases and cuts to programs and services for seniors in Michigan. Granholm has proposed an 8% across-the-board cut to most Office of Services to the Aging (OSA) programs, affecting senior meals, home care, volunteer programs, care management, caregiver programs, access services, etc. Additionally, the Governor recommends:

- Level funding of OSA respite/adult day care, through tobacco settlement dollars.
- An 8% increase in the MI Choice Waiver program for home and community based services to Medicaid-eligible older adults and adults with disabilities, from \$176 million to \$190 million.
- Additional funding to account for growth in nursing home services and the Home Help program.

All of the Governor's proposed changes are predicated on raising revenue through new methods, such as extending the sales tax to services and establishing a physician tax, as well as a yet to be approved federal stimulus extension. These proposals have been raised previously and have been defeated. If they do not pass, and no other revenues are found, all state spending will be at risk of future reductions. As the legislature addresses each of these recommendations, the actual funds available to direct toward services for older adults may change. The federal government's Medicaid match for the state (over 73%) has not yet been approved by Congress. Also, certain legislators in Lansing are considering cutting optional Medicaid programs like the MI Choice Medicaid Waiver program. For more details on the Governor's budget, go to www.michigan.gov/budget.