

## AAA 1-B Sends Budget Recommendations to State Legislators

The AAA 1-B has examined the impact of Governor Snyder's proposed FY 2012 budget on older adults and recommends several modest changes which would position Michigan for future prosperity, lessen the tax burden on older adults, and preserve critical state-supported aging services. AAA 1-B staff advocated for the following recommendations through letters to the Governor, Region 1-B legislators, and Appropriations, Tax Policy and Finance Committee members; through personal meetings with legislators; and through testimony at recent Appropriations and Policy Committee hearings.

Well over half of the \$1.9 billion in tax increases would be taken from adults age 65 and older, a group which represents only 13.4% of Michigan's total population. Most middle and upper income older adults can afford the proposed tax increase without significantly affecting their lifestyle. However, most low and low-middle income older adults will also pay more, and for many it will be more than they can afford without sacrificing essential purchases like nutritious food and medications.

### Recommended Changes to State Budget Proposal

- Retain at minimum a partial tax exemption for pension income for those with household income below \$30,000, adjusting the figure annually to reflect changes in inflation and the poverty level.
- Preserve the 100% rate for calculating the Homestead Property Tax Credit for those with household income below \$30,000.
- If pension income taxes must be increased for the elderly, a minimum of 3% - 5% of the new revenue should be dedicated to Office of Services to the Aging (OSA) programs to assure an ongoing safety net for the most vulnerable.
- Consider alternative sources of revenue to replace the most objectionable proposed tax increases. A 2010 AAA 1-B survey found the following alternatives most favored:
  - Double Michigan's beer tax to generate \$42 million
  - End the tax exemption to tobacco wholesalers, \$17.7 million
  - End the sales tax exemption for vending machine foods, \$25 million
  - Decrease sales tax to 5.5% and apply to certain goods and services, \$1.65 billion
  - End exemptions of bad debt of retailers that collect sales tax, \$64 million

Governor Snyder has indicated a willingness to "tweak" the budget proposal, and legislators are likely to offer a version of the budget that would lessen the reliance on senior-funded new tax revenues. **Advocates are urged to contact their legislators** and reiterate the need to support these recommendations. To read AAA 1-B's complete analysis of the FY 2012 budget proposal, it can be found at the agency website, <http://www.aaa1b.com/advocacy/senior-advocacy-issues-and-positions/>. To receive a paper copy of the analysis, contact Ann Langford at (248) 262-1282 or by e-mail at [alangford@aaa1b.com](mailto:alangford@aaa1b.com).

## 2011 FEDERAL BUDGET ACTION

### Congress Passes Sixth Temporary Spending Bill for FY 2011

In Washington, the federal budget for the current fiscal year, FY 2011, has yet to be adopted and funding for federal programs is authorized through a series of continuing resolutions (CR). Passage of the sixth CR on March 17 provides another chance for Congress and the President to come to an agreement on the magnitude of spending cuts. The current CR includes \$6 billion in spending cuts and is set to expire on April 8. Vice President Joe Biden reported that Republican and Democrat lawmakers are close to an agreement on a deal to cut \$33 billion from the budget; FY 2011 began on October 1, 2010.

The original House-approved budget (H.R. 1) proposed a \$61 billion reduction in spending, and included cuts to programs that serve older adults and adults with disabilities. One program, the Senior Community Service Employment Program (SCSEP), faced a funding cut in H.R. 1 and is among the programs targeted for a \$225 million cut in the current CR. Other programs which faced cuts in H.R. 1 and may still be vulnerable in the final budget bill are:

- National volunteer programs including the Retired Senior Volunteer Program (RSVP), Senior Companions, and Foster Grandparents - eliminated
- Select, but unidentified Older Americans Act programs administered through the Administration on Aging - \$65 million (4.3%) cut
- Community Services Block Grant program (CSBG) - \$305 million cut
- Low-Income Home Energy Assistance Program (LIHEAP) - \$400 million cut
- Section 202 Supportive Housing for the Elderly program - \$551 million cut

Also included in the original House bill was a policy provision, known as a rider, to ban funding for implementation of health care reform.

### AAA 1-B Urges Congress to Spare CSBGs from Cuts

Federal Community Service Block Grants (CSBG) are slated to receive a funding cut of \$305 million for FY 2011 as part of the current continuing resolution, putting at risk the ability of the nation's Community Action Agencies to provide critical programs to low income individuals and families which help them attain self-sufficiency. The AAA 1-B has sent a letter to its Congressional representatives urging them to spare CSBGs in recognition that these grants maintain programs that have proven their worth and serve the most urgent needs of citizens. CSBG funds allow vulnerable older adults to receive assistance with home chores, home injury control, access to food, safe and affordable housing, and many other services that help them live independently.



The Area Agency on Aging 1-B (AAA 1-B) is a nonprofit agency serving the needs of older adults in Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw counties. For more information about the Senior Advocacy Network (SAN) or to receive future editions of *The Advocate*, contact Ann Langford at (248) 262-1282 or by e-mail at [alangford@aaa1b.com](mailto:alangford@aaa1b.com).

## *LOOKING AHEAD TO 2012*

### **FY 2012 Budget Presented by President Obama Despite No 2011 Budget Significant Increases Proposed for Several Aging Programs**

President Obama sent a \$3.7 trillion FY 2012 budget request to Congress, and a number of programs that help older adults and adults with disabilities remain in their homes and communities are targeted for funding increases. The President has proposed the following spending levels:

#### **OLDER AMERICANS ACT (OAA) PROGRAMS– total increase of over \$700 million**

- Supportive Services (Title IIIB) - \$417 million, a 13% increase
- Nutrition (Title IIIC) - \$441 million home-delivered, \$218 million congregate; both level funded
- Preventative Health (Title IIID) - \$21 million, level funded
- Alzheimer's Demonstration Program (Title IIID) - \$11 million, level funded
- National Family Caregiver Support (Title IIIE) - \$190 million, a 25% increase
- Senior Community Service Employment Program (SCSEP-Title V) - \$458 million, a 45% cut. According to National Council on Aging, this is the only major jobs program targeted specifically to helping disadvantaged older adults who need to remain in the workforce to avoid financial crisis. SCSEP serves those with extremely low incomes, with eligibility limited to 125% of the federal poverty level (\$13,613, single person). This cut would result in the loss of over 55,000 part-time jobs.
- Vulnerable Elder Rights (Title VII) - \$5 million increase in Long Term Care Ombudsman; \$17 million increase in Adult Protective Services, authorized as part of the health care reform act
- Training and Research (Title IV) - \$6 million decrease

#### **OTHER PROGRAMS**

- Aging and Disability Resources Centers (ADRC) - \$13 million, of which \$10 million is mandatory spending within the health care reform act
- Chronic Disease Self-Management Program (CDSM) - \$10 million
- Senior Medicare Patrol, which supports Medicare fraud prevention activities - \$13 million
- Community Living Assistance and Supports Program (CLASS) - \$120 million in first-time funding. CLASS is a voluntary, federally administered, consumer-financed long term care insurance plan.
- Lifespan Respite program - \$10 million, a \$7 million increase from 2010
- Community Services Block Grants (CSBG) - \$3.77 billion, a 7.5% cut, and awarded on a competitive basis
- Low Income Home Energy Assistance Program (LIHEAP) \$2.5 billion, a 50% cut, returning to 2008 funding levels. The Administration argues that this is appropriate given that the nation is no longer in a period of steep energy prices. According to the National Council on Aging, approximately 40% of households served by LIHEAP include an adult aged 60 or older.
- The Social Services Block Grant - \$1.7 billion, level funded
- HUD Section 202 - Supportive Housing for the Elderly Program - \$757 million, a 10% cut

## Platform Developed to Guide AAA 1-B Advocacy Efforts

The AAA 1-B Board of Directors has approved the 2011-2012 Advocacy Platform that will be used to guide Region 1-B aging network advocacy efforts during the course of the next two-year legislative and congressional sessions, and educate elected officials on the needs and concerns of older adults. Advocates and community stakeholders were consulted in the development of the Platform, and the document is the culmination of this collaborative development effort. Strategic activities will be implemented to further the recommendations, and advocates will be called on to support these efforts.

### 2011-2012 Advocacy Priorities

- Rebalance the long term care system to build on the strengths of institutional care and home and community-based care models
- Provide critical services that support the independence of older adults and adults with a disability in the community
- Make Michigan a retirement destination of choice
- Engage older adults and adults with disabilities in work and community life
- Restructure public service systems to achieve better efficiency, quality, accountability and outcomes
- Improve public transportation options for adults of all ages and abilities
- Modernize the Older Americans Act
- Increase access to safe and affordable housing
- Increase the safety and financial security of older adults and adults with a disability

The Platform is available for download on the AAA 1-B website, [www.aaa1b.com](http://www.aaa1b.com). If you wish to receive a paper copy, please contact Ann Langford at (248) 262-1282 or by e-mail at [alangford@aaa1b.com](mailto:alangford@aaa1b.com).

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## AAA 1-B Affirms Support for Health Care Reform Provisions

Coinciding with the one-year anniversary of the Affordable Care Act the AAA 1-B Board of Directors affirmed the Agency's position in support of key provisions of the 2010 health care reform law. Despite Congressional efforts to de-fund and repeal the law, it is already making a positive difference in the lives of older Americans and persons with disability. For example, insurance coverage can no longer be denied because of pre-existing conditions.

This and other provisions will improve quality and access to health care for older adults and adults with a disability. Other key aspects include health insurance for uninsured Americans, greater choice for long-term care consumers, and reform and increased efficiency of the nation's health care system. The Affordable Care Act plays a significant role in reducing the cost of publicly-funded Medicare, Medicaid, and Social Security.

The non-partisan Congressional Budget Office has estimated that repealing the health care law would increase the federal deficit by \$230 billion over ten years. **Your advocacy is needed** at the federal and state levels to assure that the health care reform provisions that improve the health and safety of older adults and adults with disabilities are protected.

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