

D26A07
Department of Aging

Executive Summary

The Maryland Department of Aging (MDOA) has the responsibility for administering community-based programs and services for older Marylanders, evaluating the services they need, and determining the extent to which public and private programs meet those needs.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$22,026	\$25,104	\$26,962	\$1,858	7.4%
Adjustments	0	412	51	-362	
Adjusted General Fund	\$22,026	\$25,516	\$27,012	\$1,496	5.9%
Special Fund	601	939	1,009	70	7.4%
Adjustments	0	3	13	10	
Adjusted Special Fund	\$601	\$942	\$1,022	\$80	8.5%
Federal Fund	32,229	29,556	29,484	-72	-0.2%
Adjustments	0	7	33	26	
Adjusted Federal Fund	\$32,229	\$29,563	\$29,517	-\$46	-0.2%
Reimbursable Fund	1,481	2,035	2,140	105	5.1%
Adjustments	0	0	0	0	
Adjusted Reimbursable Fund	\$1,481	\$2,035	\$2,140	\$105	5.1%
Adjusted Grand Total	\$56,337	\$58,057	\$59,691	\$1,634	2.8%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

Note: Numbers may not sum to total due to rounding.

For further information contact: Matthew J. Mickler

Phone: (410) 946-5530

- The total allowance for MDOA in fiscal 2020 is approximately \$59.7 million. This is comprised primarily of federal (49.4%) and general (45.2%) funds. Spending in fiscal 2020 is divided into four programs. Community Services, which administers various State and federal grants to the local Area Agencies on Aging (AAA), comprises approximately 88.3% of fiscal 2020 spending.
- The adjusted fiscal 2020 allowance increases by approximately \$1.6 million, or 2.8%, when compared to the adjusted fiscal 2019 working appropriation. This increase is driven primarily by the creation of two new programs – Durable Medical Equipment and Community for Life (CFL).

Personnel Data

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>
Regular Positions	38.70	38.70	38.70	0.00
Contractual FTEs	<u>5.00</u>	<u>20.75</u>	<u>14.00</u>	<u>-6.75</u>
Total Personnel	43.70	59.45	52.70	-6.75

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.65	6.86%
Positions and Percentage Vacant as of 1/1/2019	8.00	20.67%

- The total number of regular positions remains unchanged in fiscal 2020. Contractual full-time equivalents decrease by 6.75, as the full complement of contractual positions had not been filled within prior years. Given the current rapid growth in the older population and the need to increase programming and services, MDOA anticipates fully utilizing the budgeted contractual positions in the near future.

Key Observations

- Funding for the majority of grant programs administered by MDOA is level with the fiscal 2019 working appropriation. MDOA received funds for two new grant programs in the fiscal 2020 allowance – Durable Medical Equipment and CFL.

Operating Budget Recommended Actions

1. Add language to restrict funds pending receipt of a report on best practices for the Community for Life grant program.

Updates

- ***Report on Confirmation of Grant Allocations to AAAs:*** Historically, MDOA experienced issues allocating grants to local AAAs. Citing concern that allocations were delayed in fiscal 2018, the General Assembly included language in the fiscal 2019 Budget Bill restricting \$100,000 in the General Administration program (D26A07.01) pending receipt of a report confirming that allocations were made to AAAs by September 1, 2018. MDOA submitted the report on time. The report indicated that all allocations were made prior to September 1, 2018. Upon review, the Department of Legislative Services recommended release of the restricted funds, and the budget committees authorized release of the restricted funds, effective November 26, 2018.

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Operating Budget Analysis

Program Description

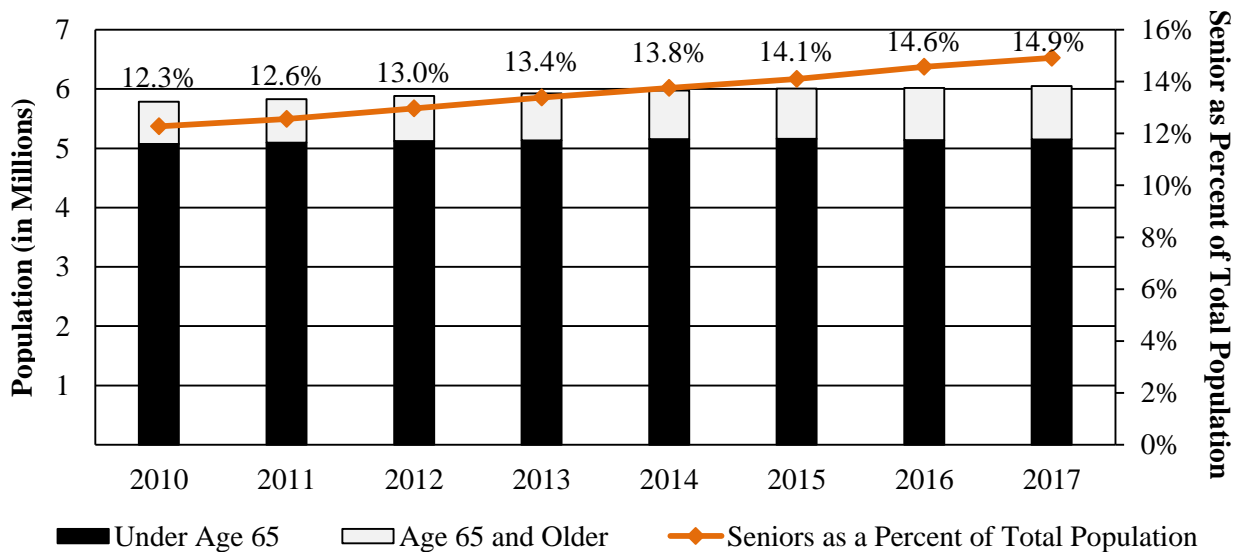
The Maryland Department of Aging (MDOA) has the responsibility for administering community-based programs and services for older Marylanders, evaluating the services they need, and determining the extent to which public and private programs meet those needs. The department also administers the State Aging and Disability Resource Center (ADRC) initiative, known as Maryland Access Point (MAP). ADRC is a national initiative to realign long-term care information and access to resources into a single point-of-entry system. The department administers the MAP program through collaborative partnerships with State and local aging and disability agencies and stakeholders. With input from the local Area Agencies on Aging (AAA), seniors, caregivers, the Maryland Department of Disabilities, and other sister agencies, the department establishes priorities for meeting the needs of older Marylanders and advocates for frail and vulnerable seniors. The department promotes healthy lifestyles for older Marylanders, *e.g.*, good nutrition, exercise, employment, and volunteerism, so that they remain active and engaged in their communities. The key goals of the department are to:

- advocate to ensure the rights of older adults and their families and prevent their abuse, neglect, and exploitation;
- support and encourage older adults, individuals with disabilities, and their loved ones to easily access and make informed choices about services that support them in their home or community;
- create opportunities for older adults and their families to lead active and healthy lives;
- finance and coordinate high-quality services that support individuals with long-term needs in a home or community setting; and
- lead efforts to strengthen service delivery and capacity by engaging community partners to increase and leverage resources.

Performance Analysis: Managing for Results

As shown in **Exhibit 1**, the senior population is growing, both in absolute terms and as a percent of the total population of the State. Aging of the population is a phenomenon that is occurring across the country as people are living longer, the “baby boomers” cohort continues to age, and birth rates are declining to historic lows. The growing senior population is an important context in which to consider the performance analysis.

Exhibit 1
The Aging Population in Maryland
Calendar 2010-2017



Note: In 2017, the population of Maryland consisted, in part, of 902,586 adults aged 65 or older, an increase of 26,138 individuals when compared to calendar 2016.

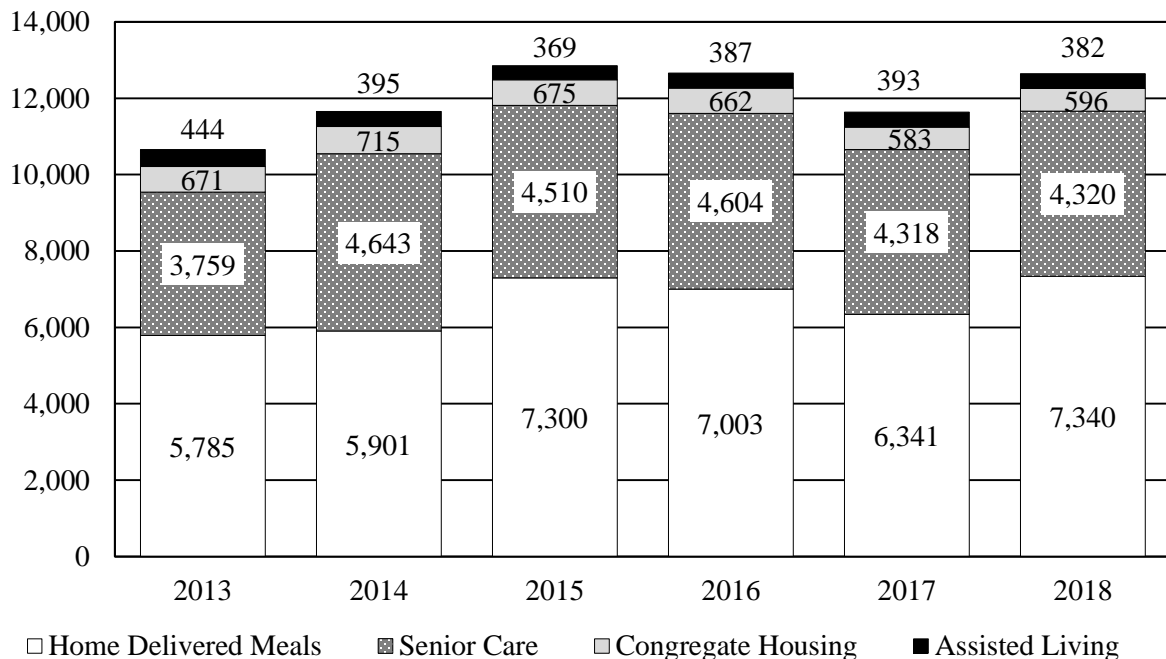
Source: U.S. Census Bureau, *American Community Survey*

1. Maintaining Seniors in the Community

MDOA has a goal of enabling seniors to reside in the most appropriate and safest living arrangements within the community for as long as possible. **Exhibit 2** shows the number of individuals receiving the different types of MDOA-coordinated services. The total number of individuals served grew in fiscal 2018 to 12,638 people, an 8.6% increase over fiscal 2017, and the first increase in the total number of individuals served since fiscal 2015. This increase in individuals served is driven by an

increase in home delivered meals – 999 more individuals were served in fiscal 2018 than in fiscal 2017. Individuals served by Congregate Housing increases by 2.2% in fiscal 2018, when compared to fiscal 2017. MDOA notes that the Congregate Housing program data, as reported in years prior to fiscal 2017, is based on reports using an older case management system that MDOA found to be problematic. MDOA transitioned to a new case management system and confirmed that providers will receive training in the new system. However, reported numbers for Congregate Housing prior to fiscal 2017 are not comparable to numbers from fiscal 2017 and later.

Exhibit 2
Maintaining Seniors in the Community
Fiscal 2013-2018¹



¹ Home Delivered Meals is reported by federal fiscal year.

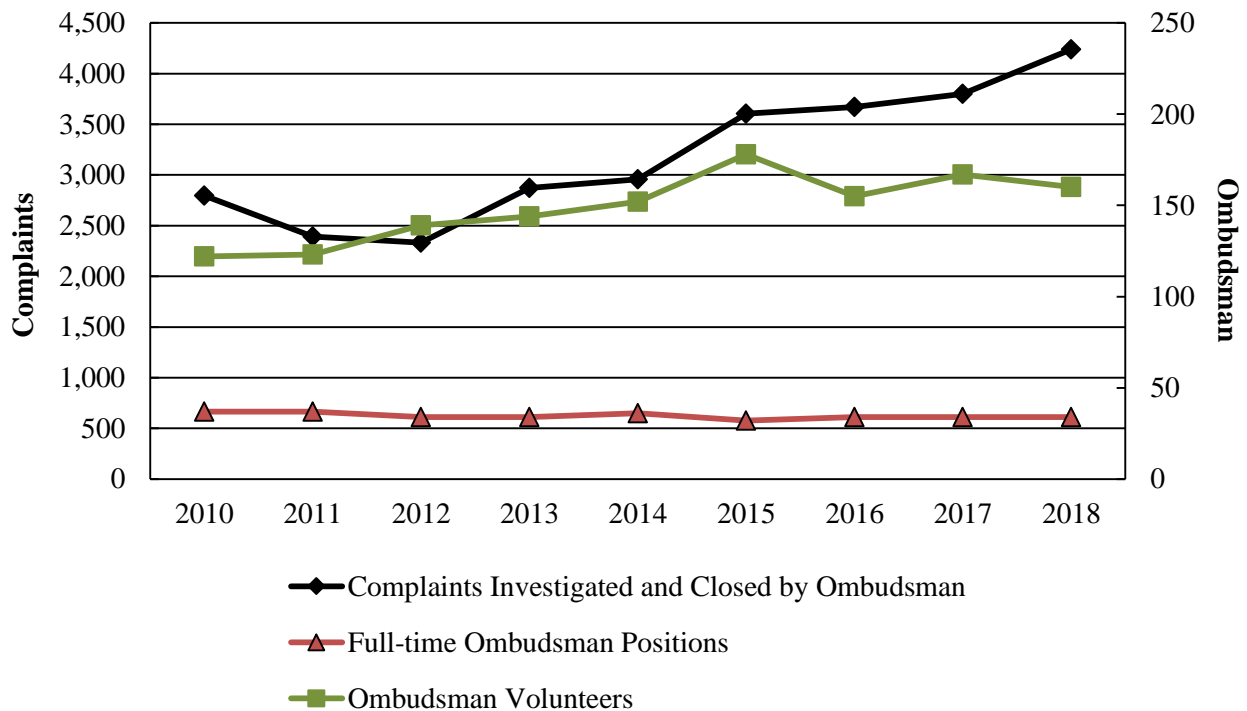
Note: In comparing this graph to prior years, the Maryland Department of Aging (MDOA)-coordinated Medicaid long-term services and supports (LTSS) are no longer included. MDOA stopped providing LTSS-coordination in fiscal 2017. Beginning in fiscal 2018 and in future years, coordination of these services is under the Maryland Department of Health. The Congregate Housing values for fiscal 2017 and 2018 represent a review by MDOA staff of all individuals who receive Congregate Housing financial subsidies, those who receive services without subsidies, and those who receive services under a program variation.

Source: Maryland Department of Aging

2. Ensuring Seniors Are Treated with Dignity

Another MDOA goal is to ensure the rights of seniors and prevent their abuse, neglect, and exploitation. MDOA administers the State’s long-term care Ombudsman program, which investigates cases of abuse at nursing homes. As shown in **Exhibit 3**, the number of complaints investigated and closed has steadily increased since federal fiscal 2012, despite little change in the total number of ombudsman full-time equivalents working on behalf of long-term care residents. The number of ombudsman volunteers declined in federal fiscal 2018 to 160, a loss of 7 volunteers total from federal fiscal 2017. However, the number of designated volunteer ombudsman, a subset of all volunteers, remains unchanged at 100 between federal fiscal 2017 and 2018. Designation means that the volunteer has completed the entire training process and has been approved to be an ombudsman by the State Ombudsman.

Exhibit 3
Investigations Closed and Ombudsman Positions
Federal Fiscal 2010-2018¹



¹ The figures for full-time and volunteer ombudsman in federal fiscal 2018 are estimates.

Source: Maryland Department of Aging

Fiscal 2019 Actions

Proposed Deficiency

The fiscal 2020 Budget Bill includes a \$400,000 general fund deficiency to fund start-up activities for the Community for Life (CFL) program in fiscal 2019. CFL is a new initiative of MDOA and also receives funding in the fiscal 2020 budget. The program is discussed in detail later in this analysis.

0.5% Cost-of-living Adjustment and \$500 Bonus for State Employees

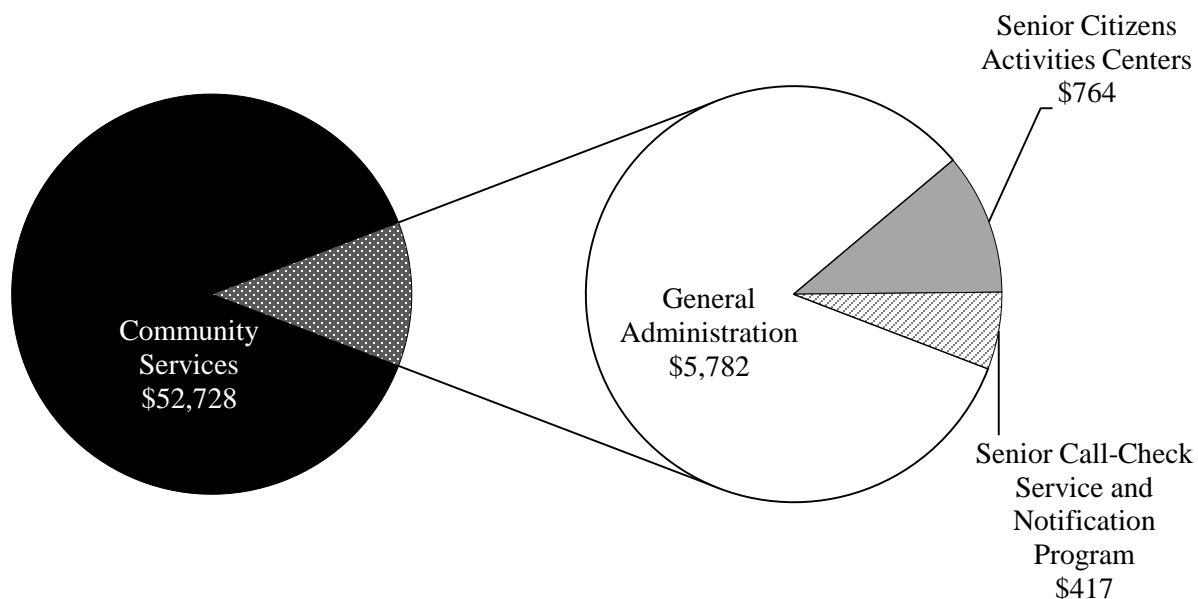
This agency's share of a 0.5% general salary increase effective April 1, 2019, is \$1,888 in general funds, \$489 in special funds, and \$1,215 in federal funds. The agency's share of the funds available for a \$500 one-time bonus, also effective April 1, 2019, is \$10,420 in general funds, \$2,417 in special funds, and \$5,962 in federal funds.

Fiscal 2020 Allowance

Overview of Agency Spending

The MDOA fiscal 2020 operating budget allowance totals to approximately \$59.7 million, inclusive of reimbursable funds. As shown in **Exhibit 4**, MDOA splits operating funding between one of four programs: General Administration; Senior Citizens Activities Centers; Community Services; and the Senior Call-Check Service and Notification Program. Funds for the Senior Citizens Activities Centers and Community Services programs are dedicated entirely to grants administered by MDOA in furtherance of its mission.

Exhibit 4
Spending Plan
Fiscal 2020 Allowance
(\$ in Thousands)



Source: Governor's Fiscal 2020 Budget Books; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 5**, the adjusted fiscal 2020 allowance increases by approximately \$1.6 million, or 2.8%, when compared to the adjusted fiscal 2019 working appropriation. This increase is driven primarily by the creation of two new Community Services grant programs – CFL (\$200,000 in general funds) and Durable Medical Equipment (\$1,405,167 in general funds).

Exhibit 5
Proposed Budget
Department of Aging
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2018 Actual	\$22,026	\$601	\$32,229	\$1,481	\$56,337
Fiscal 2019 Working Appropriation	25,516	942	29,563	2,035	58,057
Fiscal 2020 Allowance	<u>27,012</u>	<u>1,022</u>	<u>29,517</u>	<u>2,140</u>	<u>59,691</u>
Fiscal 2019-2020 Amount Change	\$1,496	\$80	-\$46	\$105	\$1,634
Fiscal 2019-2020 Percent Change	5.9%	8.5%	-0.2%	5.1%	2.8%

Where It Goes:**Personnel Expenses**

Regular salaries, including annualization of the fiscal 2019 general salary increases	\$123
3% general salary increase for State employees	83
Employee retirement system.....	56
Turnover adjustments	-6
Workers' compensation premium assessment	-8
Removal of costs associated with fiscal 2019 one-time \$500 bonus.....	-19
Employee and retiree health insurance	-68
Other fringe benefit adjustments	12

Other Changes

New Durable Medical Equipment program.....	1,405
Enterprise information technology shared services fees to DoIT	208
Expansion of Community for Life program into new communities.....	200
Other grants administered by the department	-72
Contractual employees.....	-259
Other	-22

Total	\$1,634
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DoIT: Department of Information Technology

Note: Numbers may not sum to total due to rounding.

General Salary Increases

The fiscal 2020 allowance includes funds for a 3% general salary increase for State employees, effective July 1, 2019. These funds are budgeted in the Department of Budget and Management's statewide program and will be distributed to agencies during the fiscal year. MDOA's share of the general salary increase is \$43,594 in general funds, \$11,325 in special funds, and \$28,085 in federal funds. In addition, employees will receive another 1% increase, effective January 1, 2020, if actual fiscal 2019 general fund revenues exceed the December 2018 estimate by \$75 million. These funds have not been budgeted. The Administration will need to process a deficiency appropriation if revenues are \$75 million more than projected.

Vacancies within MDOA

As of January 1, 2019, 8.0 regular positions at MDOA were vacant for a vacancy rate of 20.67%, or 13.81 percentage points above budgeted turnover for the agency. Of these regular positions, 5.0 have been vacant for relatively short periods of time (between zero and six months). Two positions – a human services specialist V and a human services administrator II – were vacated when the employees were promoted to different positions in the Long-Term Services Division. This division is currently being reorganized, and MDOA may require the flexibility offered by the vacated positions to support this effort. Finally, 1.0 position – the Division Chief for the Continuing Care Division – has been vacant for approximately two years. MDOA indicates that the work associated with this position is currently being filled by a contractual worker and that efforts are underway to transition the contractual worker to the regular position. Overall, while the department's vacancy rate is still much higher than budgeted turnover, it remains roughly unchanged versus the same point in time in fiscal 2018 (20.67% versus 18.1%, respectively).

Community Service Grants

The largest component of the MDOA budget is funds appropriated for grants administered by MDOA, the majority of which are federally funded. Grant funding in the allowance increases by approximately \$1.53 million, or 2.95%, compared to the fiscal 2019 working appropriation. This increase is entirely in general funds. There is no change in funding for any of the federally funded grants. Detailed grant funding for fiscal 2019 and 2020 is provided in **Exhibit 6**. The exhibit distinguishes grants that are increasing, decreasing, and level funded.

Exhibit 6
Change in Programs Administered by the Maryland Department of Aging
Fiscal 2019-2020

	2019 Work. <u>Approp.</u>	2020 <u>Allowance</u>	2019-2020 <u>Change</u>
Increases			
Durable Medical Equipment	\$0	\$1,405,167	\$1,405,167
Community for Life	400,000	600,000	200,000
Level Funded			
Senior Care	\$8,579,278	\$8,579,278	\$0
Congregate Meals	7,159,612	7,159,612	0
Community Services Grants	5,319,233	5,319,233	0
Senior Assisted Group Housing	4,371,896	4,371,896	0
Home Delivered Meals	3,695,330	3,695,330	0
National Family Caregiver Grants	2,382,235	2,382,235	0
Senior Nutrition	2,070,929	2,070,929	0
Congregate Housing Grants	1,831,167	1,831,167	0
Veterans Grants	1,725,000	1,725,000	0
Nutrition Services	1,617,398	1,617,398	0
Naturally Occurring Retirement Communities	1,300,000	1,300,000	0
Ombudsman	1,121,801	1,121,801	0
Balancing Incentives Program	990,000	990,000	0
Information and Assistance	865,000	865,000	0
Senior Center Operating Fund	764,238	764,238	0
Public Guardianship	641,192	641,192	0
Senior Health Insurance Program	552,255	552,255	0
Vulnerable Elderly	478,756	478,756	0
Hold Harmless	442,210	442,210	0
Ombudsman/Elderly Abuse	358,826	358,826	0
Health Promotion and Prevention	318,129	318,129	0
Medicare Improvements for Patients and Provider	313,488	313,488	0
Commodity Supplemental Food	160,590	160,590	0
Managing Active Citizens	131,800	131,800	0
Health Care Fraud and Abuse Control	113,359	113,359	0
Elderly Abuse	102,633	102,633	0

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	<u>2019 Work. Approp.</u>	<u>2020 Allowance</u>	<u>2019-2020 Change</u>
Decreases			
Money Follows the Person Grants	\$652,469	\$580,250	-\$72,219
<i>Subtotal</i>	<i>\$48,458,824</i>	<i>\$49,991,772</i>	<i>\$1,532,948</i>
Reimbursement for Administrative Medicaid Activities	\$3,500,000	\$3,500,000	\$0
Total	\$51,958,824	\$53,491,772	\$1,532,948

Source: Maryland Department of Aging

The appropriations for three programs – Senior Assisted Group Housing, Congregate Housing, and Senior Care – all increased in fiscal 2019 versus the legislative appropriation. MDOA redirected the funds from the new-for-fiscal 2019 Nursing Home Diversion program. The redirection is in line with how MDOA indicated these funds would be used in testimony provided at the fiscal 2019 budget hearing. The Nursing Home Diversion program is unfunded in fiscal 2020.

The majority of grant programs administered by MDOA are level funded in fiscal 2020, when compared to the fiscal 2019 working appropriation. The Money Follows the Person program is the only program to decrease in funding in fiscal 2020, as a one-time transfer of funds included in Supplemental Budget No. 3 to the fiscal 2019 budget was not included in the fiscal 2020 allowance. The two programs that receive increased funding for fiscal 2020 – Durable Medical Equipment and CFL– are both new programs for MDOA.

The Durable Medical Equipment program will be used to provide previously used medical equipment to Maryland residents, free of charge, in an effort to efficiently redirect existing resources. MDOA currently has a proposal from Maryland Environmental Service to serve as the business operator of a centrally located facility that could receive, sterilize, refurbish, and redistribute the durable medical equipment. Total funding for this program in fiscal 2020 is approximately \$1.41 million. **MDOA should comment on how the agency plans to notify Marylanders of the Durable Medical Equipment program once operational, in order to promote donations and generate interest in the program. Further, MDOA should comment on how Marylanders will be able to donate to and utilize the services of this program once operational.**

The CFL program is intended to provide key services for older adults living in a predefined geographical boundary to help them remain living independently in their homes. These include, at minimum: (1) a safety assessment and basic home repair and maintenance by a community handyperson as well as access to pre-vetted contractors and contract review for larger maintenance projects; (2) transportation trips; and (3) regular contact with a service navigator to help coordinate access to services in the community and assist with needs that may arise. Overall, these services help

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to preserve the value and safety of the member's home; prevent fraud, injuries, or falls; combat isolation experienced by the older adult; and provide an infrastructure for additional services as they evolve. MDOA is providing support for five community programs throughout the State in fiscal 2019 – one in Allegany County, one in Baltimore City, one in Baltimore County, and two on Maryland's Eastern Shore. MDOA's goal is to create a self-supporting program, funded by non-State resources and managed by a community nonprofit. Agreements with the nonprofit managing the local services will provide for the provision of some charitable services, and the fee paid by participants will vary based on the services provided.

The fiscal 2020 allowance includes \$600,000 for continued carrying costs for the CFL programs during their initial phase as well as expansion of CFL into new communities throughout the State. However, the Department of Legislative Services (DLS) notes that the current programs are, at most, seven months old, as of February 2019. A longer period piloting these programs could provide MDOA with additional background on best practices for local CFL programs, which may impact criteria for future rounds of grant funding. **DLS recommends restricting \$200,000 intended for the CFL program pending the submission of a report detailing lessons learned from, and best practices of, the initially funded programs.**

Operating Budget Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$200,000 of this appropriation made for the purpose of issuing new grant awards under the Community for Life (CFL) program may not be expended until the Maryland Department of Aging (MDOA) submits a report to the budget committees on lessons learned through the operation of community programs supported by grants funds from CFL in fiscal 2019. The report shall specify best practices for programs, as well as how compliance with best practices will be adopted as evaluation criteria for new grant applications. Finally, the report shall address how the MDOA assesses an applicant's ability to leverage State funds to initiate its local program and progress toward a self-supporting model. The report shall be submitted by September 2, 2019, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The fiscal 2020 allowance includes funds for an expansion of the CFL program to provide grants to entities developing services to support aging-in-place for older adults in areas with distinct geographic boundaries. MDOA wishes to expand CFL, despite the fact that the five community programs that are currently active have all been in existence less than one year. The language restricts funds for new grant awards under CFL pending a report that identifies lessons learned and best practices developed, based on review of the existing programs in fiscal 2019, as well as how this information will be incorporated in the development of evaluation criteria and the assessment of new applicants for CFL awards.

Information Request	Author	Due Date
Report on CFL best practices	MDOA	September 2, 2019

Updates

1. Report on Confirmation of Grant Allocations to AAAs

Historically, MDOA experienced issues allocating grants to local AAAs. In order to receive grants through the federal Older Americans Act (Home Delivered Meals, Ombudsman, Elder Abuse, Congregate Meals, Community Service, and Health Promotion/Disease Prevention), AAAs must submit an individual Area Plan, and MDOA must review and approve the plan for a grant to be awarded. In order for a local AAA to receive grant awards in a reasonable time, the Area Plan must be approved by the start of the fiscal year.

Committee narrative in the 2015 *Joint Chairmen's Report* requested a report on improving the award of State grants to the AAAs. MDOA submitted this report, which identified delays in the submission of Area Plan instructions to AAAs (which ultimately delayed submission to MDOA and approval), as well as inefficiencies in the review process, as sources of the delays. In fiscal 2016, the department issued the Area Plan instructions to the AAAs 103 days prior to the start of the fiscal year and further altered the review process. All fiscal 2016 Area Plans were approved before commencement of the fiscal year.

Citing concern that allocations were delayed in fiscal 2018 by as much as seven months after the start of the fiscal year, the General Assembly included language in Chapter 570 of 2018 (the fiscal 2019 Budget Bill) indicating that it was the intent of the General Assembly that allocations made to the local AAAs from the 2019 appropriation for Community Services (D26A07.03) should be announced by September 1, 2018. Further, the General Assembly included restrictive language restricting \$100,000 in the General Administration program (D26A07.01) pending receipt of a report to the budget committees confirming that allocations were made to AAAs by September 1, 2018. The report was due to the budget committees by October 1, 2018.

MDOA submitted the report on time. The report indicated that all Area Plan Development allocations were made on April 19, 2018, other than allocations for the Senior Assisted Living Group Home Subsidy and the allocations for Senior Care (these allocations were made on July 10, 2018, and July 13, 2018, respectively). Upon review, DLS recommended release of the restricted funds, and the budget committees authorized release of the funds effective November 26, 2018.

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Appendix 1
Current and Prior Year Budgets
Department of Aging
(\$ in Thousands)

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2018					
Legislative Appropriation	\$23,182	\$549	\$29,432	\$2,121	\$55,285
Deficiency/Withdrawn Appropriation	-31	-7	-19	0	-57
Cost Containment	-300	0	0	0	-300
Budget Amendments	0	58	2,816	0	2,875
Reversions and Cancellations	-825	0	0	-640	-1,466
Actual					
Expenditures	\$22,026	\$601	\$32,229	\$1,481	\$56,337
Fiscal 2019					
Legislative Appropriation	\$25,089	\$935	\$29,549	\$2,035	\$57,608
Budget Amendments	15	3	7	0	26
Working					
Appropriation	\$25,104	\$939	\$29,556	\$2,035	\$57,634

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

The Maryland Department of Aging (MDOA) fiscal 2018 legislative appropriation increased by \$1.1 million. Section 19 of the fiscal 2019 Budget Bill withdrew \$56,642 (\$31,080 in general funds, \$6,536 in special funds, and \$19,026 in federal funds) due to a surplus in the health insurance account. A September 2017 Board of Public Works cost containment action reduced general funds by \$300,000. These decreases were offset by an amendment that increased federal funds by \$2.8 million, primarily to account for increased federal Title III grant awards, and increased special funds by \$58,387 from the Continuing Care Retirement Communities program necessary to cover staffing shortfalls.

MDOA reverted \$824,843 to the General Fund, which was largely due to savings from personnel vacancies. In addition to the general fund reversion, \$640,425 in reimbursable fund appropriations were canceled related to reimbursement for Medicaid administrative activities.

Fiscal 2019

To date, MDOA's fiscal 2019 budget has increased by \$25,931 (\$15,397 in general funds, \$3,281 in special funds, and \$7,253 in federal funds) to pay for a general salary increase effective January 1, 2019, that was centrally budgeted.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	May 14, 2013 – May 24, 2016
Issue Date:	March 2017
Number of Findings:	3
Number of Repeat Findings:	2
% of Repeat Findings:	67%

Finding 1: **The Maryland Department of Aging (MDOA) lacked a comprehensive policy and did not adequately document annual financial reviews of Area Agencies on Aging (AAA) it conducted to ensure the appropriate use of State grant funds.**

Finding 2: MDOA did not conduct all required site visits of AAAs to monitor the Senior Assisted Living Group Home Subsidy and Senior Care program activity, and there was a lack of evidence that deficiencies noted during site visits conducted were communicated to the applicable AAAs for corrective action.

Finding 3: **MDOA did not ensure that administrative costs incurred by AAAs for the Senior Care grant program were within the required spending limits.**

*Bold denotes item repeated in full or part from preceding audit report

Appendix 3
Object/Fund Difference Report
Department of Aging

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	38.70	38.70	38.70	0.00	0%
02 Contractual	5.00	20.75	14.00	-6.75	-32.5%
Total Positions	43.70	59.45	52.70	-6.75	-11.4%
Objects					
01 Salaries and Wages	\$ 3,140,047	\$ 3,619,505	\$ 3,719,478	\$ 99,973	2.8%
02 Technical and Special Fees	416,945	1,055,339	796,244	-259,095	-24.6%
03 Communication	95,744	60,104	37,071	-23,033	-38.3%
04 Travel	66,144	104,214	104,214	0	0%
07 Motor Vehicles	0	20,889	20,889	0	0%
08 Contractual Services	583,927	816,017	1,018,338	202,321	24.8%
09 Supplies and Materials	80,016	45,038	45,038	0	0%
10 Equipment – Replacement	14,141	94,151	94,151	0	0%
12 Grants, Subsidies, and Contributions	51,573,420	51,558,824	53,491,772	1,932,948	3.7%
13 Fixed Charges	366,768	260,032	266,971	6,939	2.7%
Total Objects	\$ 56,337,152	\$ 57,634,113	\$ 59,594,166	\$ 1,960,053	3.4%
Funds					
01 General Fund	\$ 22,026,447	\$ 25,104,085	\$ 26,961,698	\$ 1,857,613	7.4%
03 Special Fund	600,699	938,759	1,008,514	69,755	7.4%
05 Federal Fund	32,229,248	29,555,978	29,484,121	-71,857	-0.2%
09 Reimbursable Fund	1,480,758	2,035,291	2,139,833	104,542	5.1%
Total Funds	\$ 56,337,152	\$ 57,634,113	\$ 59,594,166	\$ 1,960,053	3.4%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 4
Fiscal Summary
Department of Aging**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 General Administration	\$ 4,763,732	\$ 5,658,304	\$ 5,685,409	\$ 27,105	0.5%
02 Senior Centers Operating Fund	764,003	764,238	764,238	0	0%
03 Community Services	50,809,417	50,794,586	52,727,534	1,932,948	3.8%
04 Senior Call-Check Service and Notification	0	416,985	416,985	0	0%
Total Expenditures	\$ 56,337,152	\$ 57,634,113	\$ 59,594,166	\$ 1,960,053	3.4%
General Fund	\$ 22,026,447	\$ 25,104,085	\$ 26,961,698	\$ 1,857,613	7.4%
Special Fund	600,699	938,759	1,008,514	69,755	7.4%
Federal Fund	32,229,248	29,555,978	29,484,121	-71,857	-0.2%
Total Appropriations	\$ 54,856,394	\$ 55,598,822	\$ 57,454,333	\$ 1,855,511	3.3%
Reimbursable Fund	\$ 1,480,758	\$ 2,035,291	\$ 2,139,833	\$ 104,542	5.1%
Total Funds	\$ 56,337,152	\$ 57,634,113	\$ 59,594,166	\$ 1,960,053	3.4%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

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Appendix 5
Budget Amendments for Fiscal 2019
Maryland Department of Aging – Operating

<u>Status</u>	<u>Amendment</u>	<u>Funds</u>	<u>Justification</u>
Active	\$15,397 3,281 7,253	General Special Federal	Increase for the cost-of-living adjustment as authorized in the fiscal 2019 Budget Bill.
Total	\$25,931		