

Department of Legislative Services
 Maryland General Assembly
 2010 Session

FISCAL AND POLICY NOTE

Senate Bill 813
 Finance

(Senators Lenett and Madaleno)

Maryland Communities for a Lifetime Act

This bill creates a “Maryland Communities for a Lifetime Program” within the Maryland Department of Aging (MDoA) whereby MDoA must certify communities that meet certain criteria as “Communities for a Lifetime” (CFL) and oversee and coordinate the program with the Interagency Committee on Aging Services. In addition, the bill adds a CFL representative to the membership of both the interagency committee and the Innovations in Aging Services Advisory Council, and requires the interagency committee to include a CFL assistance plan in its annual plan. Finally, the bill adds a CFL to the list of priority funding areas for purposes of directing State economic development and growth spending, and requires, to the extent practical: (1) funds from the Senior Citizen Activities Center Operating Fund be used to increase the ability of seniors living in CFLs to age in place; and (2) an annual plan developed by the Secretary of Aging to include provisions for funding grants that are sought by CFLs.

Fiscal Summary

State Effect: General fund expenditures increase by at least \$53,700 in FY 2011 to hire one program manager to develop and oversee the program. Future years reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	53,700	67,100	70,300	73,700	77,200
Net Effect	(\$53,700)	(\$67,100)	(\$70,300)	(\$73,700)	(\$77,200)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Potentially significant for local governments that participate in CFL activities and receive program assistance.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The purpose of the program is to establish a comprehensive State plan to address the aging-in-place preference of current seniors and the soon-to-retire baby boomer generation; direct financial and regulatory incentives to local communities to enhance aging-in-place services and facilitate the independence of older adults; and promote a State aging-in-place program that overcomes barriers in housing, transportation, health care, employment, and social and civic engagement.

MDoA must (1) assist each CFL it certifies with continued needs assessment and asset mapping of the certified community to identify obstacles to aging in place; and (2) organize and support the network of CFLs throughout the State to maximize the resources, experiences, and knowledge of each community. MDoA and a CFL's area agency must help the CFL implement a plan developed by the community to enhance the ability of community residents to age in place and facilitate the independence of older adult residents in the community. MDoA must assist a CFL in obtaining federal, State, and local funding for projects that improve the ability of seniors to age in place and has to investigate ways to enhance services that help seniors who live in a CFL age in place, including the feasibility of creating programs to increase the availability of mobile medical services, medical testing services, vaccines, and disease prevention services to the communities.

The bill requires that, before determining the amount of a State grant for a senior citizens community center project, MDoA consider whether a CFL is affected by the project.

Current Law: Chapters 511 and 512 of 2007 established the Statewide Empowerment Zone for Seniors Commission to recommend a plan to develop an Empowerment Zones for Seniors program in Maryland. The program would direct financial and regulatory incentives to local communities that develop a qualifying comprehensive empowerment zones for seniors plan to enhance aging-in-place services and facilitate the personal independence and civic and social engagement of seniors in the community. The commission terminated on September 30, 2009.

The Interagency Committee on Aging Services plans coordination of State and local services covering employment, health, housing, social services, and transportation for Maryland's elderly. Meeting quarterly, the committee devises programs to assess the needs of elderly persons and their caregivers and to provide services. Prior to each legislative session, the committee reports to the General Assembly on its plans, activities, and the status of services to Maryland seniors.

The Innovations in Aging Services Advisory Council advises the Secretary of Aging on the Innovations in Aging Services Program, which provides competitive funding grants to design and test innovative ideas and programs for seniors, publicly disseminate the test results, and help meet the need for personnel trained to provide services to seniors in the State. With the advice of the council, the Secretary develops an annual program plan that sets priorities for funding grants for innovative services to seniors and training personnel who provide services to seniors in the State. The plan must include provisions for evaluating any program it funds.

The purpose of the Senior Citizen Activities Center Operating Fund is to supplement, but not supplant, any existing funding for senior citizen activities centers in the State budget.

A unit of local government may apply to the Secretary of Aging for a grant for the cost of planning, design, construction, acquisition, conversion, renovation, or improvement of a project, developing a master plan, purchasing capital equipment for a project, leasing a project, or making a subgrant to a nonprofit for one of the previously mentioned purposes. If the Secretary approves a grant application, the Secretary must file a report describing the scope of the project with the Board of Public Works that includes a recommendation that the board make the requested funds available. The State grant amount for a project must be determined after considering the density of the senior population in the area affected by the project, the proximity of the proposed center to an existing senior activities center, and other localities eligible for State funding that have not received previous funding under the program or a similar program.

Priority Funding Areas

The State sought to strengthen its efforts to control sprawl, enhance land use, and control pollution with the Smart Growth and Neighborhood Conservation Act of 1997 (Priority Funding Areas Act). This Act capitalized on the influence of State expenditures on economic growth and development by directing State spending to priority funding areas (PFAs). The broad purpose of PFAs is to focus State spending to make the most efficient and effective use of existing infrastructure; preserve existing neighborhoods; and preserve Maryland's fields, farms, and open spaces. The Act established certain areas as PFAs and allows counties to designate additional areas if they meet minimum criteria.

Background: The Statewide Empowerment Zone for Seniors Commission's July 2009 report included a number of specific recommendations for program development. The commission's major recommendations include:

- introducing legislation to reestablish the commission to provide continuity in planning for a “Maryland Communities for a Lifetime (MCFAL)” (replacing the “Senior Empowerment Zone” terminology);
- introducing legislation to create a MCFAL program within MDoA, which should include specified elements;
- providing MCFAL incentives and assistance from MDoA, as well as other State and federal programs;
- requiring MDoA, in consultation with the State Interagency Committee on Aging Services, to oversee MCFAL to achieve specified objectives; and
- conducting a review of existing State programs related to aging in place.

Additional commission recommendations include increasing community-based care, affordable transportation, and wellness and prevention programs as well as expanding civic engagement and employment options for older adults.

State Expenditures: General fund expenditures increase by at least \$53,748 in fiscal 2011 which reflects the bill’s October 1, 2010 effective date. This accounts for MDoA hiring one program manager for strategic plan development, financial and regulatory incentive development, and promotion activities. This includes the development of policies and regulations associated with the certification of CFLs. After such a plan has been developed, the program manager will be responsible for certifying CFLs, assisting certified CFLs with needs assessments, asset mapping, funding procurement, and other CFL assistance requirements specified in the bill. Legislative Services advises that the estimate does not take travel costs into account, which will certainly be necessary under such a statewide plan, but cannot be estimated at this time. The estimate includes a salary, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary	\$47,495
Operating Expenses	1,958
Start-up Costs	<u>4,295</u>
Total FY 2011 Expenditures:	\$53,748

Future year expenditures reflect a full salary with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

MDoA advises that it expects three communities to apply for CFL certification under the bill. However, if the estimate varies a great deal from this number, MDoA resources will need to be adjusted to either assist additional or fewer CFLs.

MDoA notes that if the bill is enacted, but the program is not funded, it could use federal funds from Title III, Part B, Supportive Services and Senior Centers for the program.

Legislative Services advises that the bill's provisions adding a CFL to the list of priority funding areas for purposes of directing State economic development and growth spending, and requiring, to the extent practical: (1) funds from the Senior Citizen Activities Center Operating Fund be used to increase the ability of seniors living in CFLs to age in place; and (2) an annual plan developed by the Secretary on Aging to include provisions for funding grants that are sought by CFLs will not necessarily impact State finances; however, it could result in a redistribution of existing funds if CFLs are given priority over other projects. The bill merely authorizes, but does not require, CFLs to be funded through these avenues. If additional funding is provided specifically for CFLs, general fund expenditures increase accordingly.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Carroll, Cecil, Harford, Howard, Montgomery, and St. Mary's counties; Town of Bel Air; Town of Leonardtown; City of Salisbury; Department of Natural Resources; Maryland Department of Planning; Department of General Services; Department of Housing and Community Development; Department of Health and Mental Hygiene; Maryland Department of Aging; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2010
ncs/mwc

Analysis by: Sarah K. Volker

Direct Inquiries to:
(410) 946-5510
(301) 970-5510