

DA07
Department of Aging – Capital

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
(\$ in Millions)

Program	2022 Approp.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.
Senior Center Capital Grant Program	\$1.105	\$2.400	\$1.600	\$1.600	\$1.600	\$1.600
Total	\$1.105	\$2.400	\$1.600	\$1.600	\$1.600	\$1.600

Fund Source	2022 Approp.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.
GO Bonds	\$1.105	\$2.400	\$1.600	\$1.600	\$1.600	\$1.600
Total	\$1.105	\$2.400	\$1.600	\$1.600	\$1.600	\$1.600

GO: general obligation

GO Bond Recommended Actions

1. Approve the \$2,400,000 general obligation bond authorization for the Senior Center Capital Grant Program.

Program Description

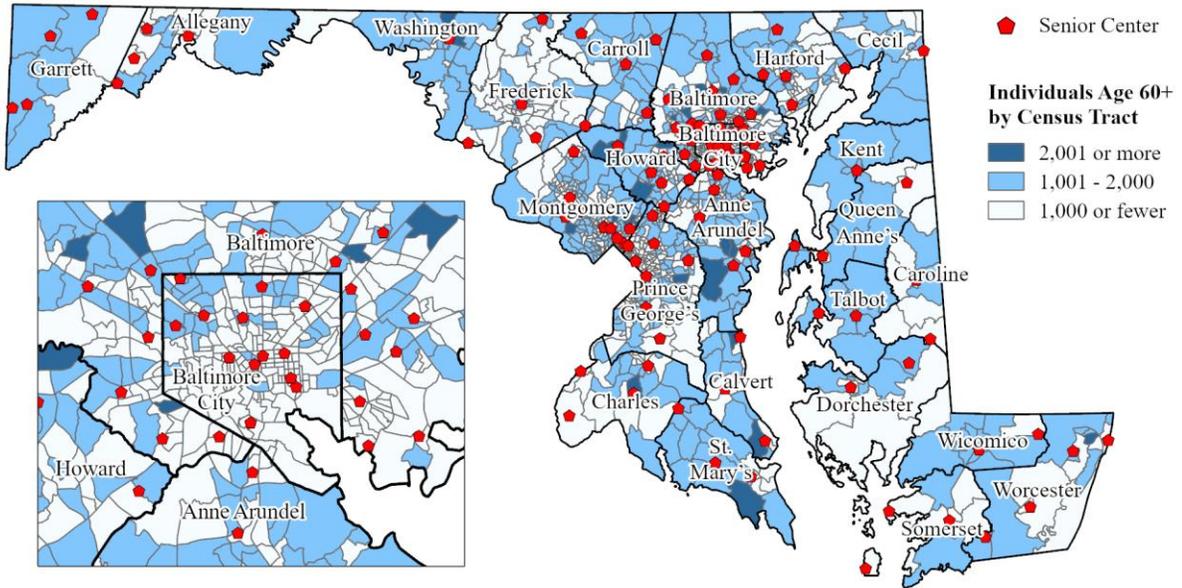
Senior Center Capital Grant Program

The Senior Center Capital Grant Program (SCCGP) provides financial assistance to local governments for the planning, acquisition, design, construction, renovation, improvement, and capital equipping of senior centers. Currently, there are 117 senior centers in the State that provide core health, social, nutrition, education, and recreational services. Programs beyond these core services are determined by the needs and preferences of the population served by the center. To be considered for funding, total project costs must be at least \$100,000. The State may provide a grant of up to 50% of the project cost, not to exceed \$800,000 in any 15-year period, after the application of any federal grants received for the project. The Board of Public Works (BPW) may authorize a grant that exceeds 50% of the project cost after any federal grant is applied under certain circumstances. Local governments are required to match State funds for a project on a dollar-for-dollar basis. Local governments can receive grants for multiple projects at a given senior center so long as the sum of the grants made for any single senior citizen activities center does not exceed \$800,000 in any 15-year period.

Serving the Growing Aging Population

Each of the three projects receiving grants in the fiscal 2023 budget will expand programming and service space to better accommodate the growing aging population in areas served by the centers. According to the State Plan on Aging, individuals age 60 and over are expected to comprise 26.57% of the State's population by 2040, representing a nearly 4 percentage point increase from 2020 levels. As shown in **Exhibit 1**, more than half the State's senior centers are concentrated in the Baltimore-Washington, DC corridor in Baltimore City and Anne Arundel, Baltimore, Howard, Montgomery, and Prince George's counties. Approximately 8% of senior centers serve older adults in Western Maryland; another 8% serve Southern Maryland residents; 11% serve more central-northern county residents in Carroll, Frederick, and Harford counties; and approximately 17% serve residents on the Eastern Shore. The Maryland Department of Aging (MDOA) indicates that population projections for 2035 indicate that Anne Arundel, Baltimore, Montgomery and Prince George's counties are expected to retain the greatest numbers of adults age 60 and over, but the largest proportional increases in county 60+ populations will occur in Carroll, Cecil, Charles, Frederick, Howard, and St. Mary's counties.

Exhibit 1
Senior Centers and Adults Age 60 and Over by Census Tract
Calendar 2019 5-Year Estimates



Source: U.S. Census Bureau American Community Survey Calendar 2019 Five-Year Population Estimates; Maryland Department of Aging; Department of Legislative Services

Budget Overview of Grant and Loan Programs

Fiscal 2023 Proposed Projects

The fiscal 2023 allowance provides \$2.4 million in general obligation bonds for three projects through the SCCGP, which is estimated to leverage nearly \$7.3 million in local government matching funds and \$12.5 million in individual and foundation grants. As shown in **Exhibit 2**, the proposed fiscal 2023 funding level is \$800,000 more than the \$1.6 million programmed in the previous year's *Capital Improvement Program*, allowing three projects to receive the maximum allowable State contribution.

**Exhibit 2
Proposed Projects
Fiscal 2023
(\$ in Thousands)**

<u>Jurisdiction</u>	<u>Project Title and Description</u>	<u>Estimated Total Cost</u>	<u>2023 Funding</u>	<u>State Share of Total Project Cost</u>
Queen Anne’s	Queen Anne’s County Family YMCA and Senior Center: Develops space for older adults’ programming in the Queen Anne’s County Family YMCA. Seniors will be able to use the wellness center, pool, sauna, multipurpose rooms, and other spaces. Congregate meals will also be offered at this site.	\$16,365	\$800	5%
Baltimore County	Woodlawn Senior Center Facility Expansion and Renovation: Renovates and expands programming space at the existing senior center. Funding will support a new fitness center, expand health program offerings, meal preparation and distribution, and upgrades to the security system.	4,600	800	17%
Calvert County	Calvert Pines Senior Center Expansion and Renovation: Renovates and adds additional programming space at the existing facility, creating designated space for senior center activities that will not need to be shared with other county agencies. Funding will allow the senior center to provide more meals and address maintenance and safety issues at the existing facility.	1,796	800	45%

Source: Maryland Department of Aging; Department of Budget and Management

Program Activity

From fiscal 2018 through 2020, the SCCGP did not see any expenditures. In fiscal 2021, \$2.18 million was expended, yet fiscal 2022 still opened with more than \$4.9 million in unexpended funds authorized for prior years’ projects. MDOA has encumbered \$0.8 million of its \$1.1 million fiscal 2022 appropriation. By the end of fiscal 2022, MDOA expects to encumber the entire fiscal 2022 appropriation and \$1.1 million of funds from prior years.

Exhibit 3 shows the encumbrances for previously authorized but still active projects. All pre-fiscal 2022 projects have encumbered their authorization except for the Harford Road Senior Center project. The Harford Road Senior Center project was first authorized for \$500,000 in fiscal 2017. No expenditures have been made against this original authorization. The Harford Road Senior Center project received an additional \$300,000 authorization in fiscal 2020, funding the project at the allowable

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maximum for the next 15 years. No encumbrances have been made against this fiscal 2020 authorization. MDOA reports that Baltimore City has ended its partnership with the original nonprofit grantee and Baltimore City will now manage the Harford Road Senior Center project directly. The Baltimore City Department of General Services is currently updating the architectural plans, which are now outdated, and MDOA plans to submit the project to BPW after reviewing the revised plans.

Exhibit 3
Status of Ongoing Projects Authorized
Updated as of August 2021
Fiscal 2015-2022
(\$ in Thousands)

<u>Year</u>	<u>Project Title</u>	<u>Authorized</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Expended</u>	<u>Unexpended</u>
2022	Severn Intergenerational Center New Construction	\$800	\$800	\$0	\$0	\$800
	Edgemere Senior Center HVAC Equipment Replacement	250	0	250	0	250
	Overlea-Fullerton Senior Center HVAC Equipment Replacement	55	0	55	0	55
2021	Parkville Senior Center Plumbing System	263	263	0	0	263
	Victory Villa Senior Center HVAC Equipment	81	81	0	0	81
2020	Harford Road Senior Center	300	0	300	0	300
	Ateaze Senior Center – Heating System	328	328	0	0	328
	Washington County Senior Activities Center Expansion – Small Building Renovation	100	100	0	0	100
2019	Hampton Park Senior Activity Center	800	800	0	0	800
2017	Harford Road Senior Center	500	500	0	0	500
2016	District Heights Senior Center	800	800	0	0	800
2015	Chesapeake Grove Intergenerational Center	800	800	0	0	800
Total		\$5,077	\$4,472	\$605	\$0	\$5,077

Source: Department of Budget and Management, Maryland Department of Aging

Observations

1. The Intergenerational Model

Benefits of the Intergenerational Model

Intergenerational service models foster interactions between two or more generations either through formal programming, such as educational programs or volunteering events, or informal socialization. Intergenerational programs are frequently implemented to address unmet needs of younger generations by capitalizing on the skills and experience that older adults have to offer. Yet benefits do not flow one way, as older adults can also enjoy improved mental and physical health from participating in these programs. The intergenerational model is frequently implemented through the colocation of youth day care and adult long-term care facilities, educational programs, technological literacy courses, and volunteering events.

In Maryland, intergenerational center capital project justifications have cited various strengths of this model, including that it:

- may remove stigma felt by some of attending a stand-alone senior center;
- presents older adults with opportunities for educational and social engagement with the whole community instead of solely older adults;
- makes financing the creation of programming space more feasible as it serves a wider population beyond older adults; and
- allows for a continuum of support throughout individuals' progressive life stages.

Academic studies of the benefits of intergenerational programming are often small and limited in scope. However, these studies consistently suggest that there are merits to intergenerational programming and services. An October 2017 study, published in the journal *Frontiers in Psychology*, reviewed available literature about the intergenerational approach. The study indicated that participants' experiences with the intergenerational model inform their attitudes toward other generations, improve the health and wellbeing of older adults, and encourage positive values and behaviors in children. The study also affirmed that effective intergenerational programs are traditionally located in designed spaces that are inviting to both age groups and offer programming that supports intergenerational interactions. The study indicated that intergenerational programs may play a useful role in reducing negative stereotypes, prejudice, and discrimination associated with older adults and aging; improving students' academic, behavioral, social-emotional, and motivational outcomes; and expanding the residential, educational, and career options of individuals of different ages.

Similarly, an April 2016 study, published in the journal, *Childhood Education*, noted benefits of intergenerational programming that include reducing social isolation and feelings of worthlessness

that some older adults experience when living in retirement communities or care facilities designed for their age group, while youth participants have exposure to opportunities that build empathy for older individuals and understanding of the capabilities of older adults. The study described commonly used intergenerational approaches that have been used across the country, one of which is the construction of shared sites, as has been funded in recent years through the SCCGP and bond initiatives.

A February 2015 study, published in the *Journals of Gerontology*, looked at the American Association of Retired Persons (AARP) Experience Corps trial in Baltimore City. The AARP Experience Corps program enlisted older adults as volunteers to help fill unmet needs in six elementary schools in Baltimore City. The study found that both children and older adults involved in the Experience Corps program saw benefits. Children in the Experience Corps elementary schools showed higher levels of reading achievement and reduced problem behaviors than children in comparison schools. Compared to older adults that volunteered in other settings, older adults that participated in the intergenerational volunteering at Experience Corps schools showed greater gains in physical activity level, executive function and memory performance, and enhanced perceptions of social support availability. The study found that older adults in Experience Corps volunteer positions had a greater desire to give back to the community and a greater feeling of achievement associated with having made meaningful contributions and impacts than volunteers in other roles.

Given the merits of the intergenerational model, the department should comment on whether it plans to prioritize the development of intergenerational services throughout the State.

Utilization of the Intergenerational Model

The Older Americans Act of 1965 (OAA) authorized the Supportive Services and Senior Centers program, which provided grants to states that could fund the acquisition, alteration, and renovation of multipurpose senior centers and also support programming for older adults. The programming could be designed to promote lifelong learning, reduce social isolation, offer health and nutrition services, and otherwise improve the wellbeing of older adults. The OAA also encouraged area agencies on aging to pursue opportunities for intergenerational shared site models for programs and projects. Even as the value of intergenerational services was understood in 1965, the majority of senior centers throughout the State mostly limit their focus to services and programming for older adults.

State funding for intergenerational centers has grown in recent years, albeit with grant funds authorized outside the SCCGP. As shown in **Exhibit 4**, capital grant funding for intergenerational centers from fiscal 2019 through 2022 exceeded \$9.2 million. Fiscal 2022 provided the greatest single-year funding for intergenerational centers over this period, supporting four centers with a total of \$4.4 million.

Exhibit 4
Capital Investments in Intergenerational Centers
Fiscal 2019-2022

<u>Project</u>	<u>County</u>	<u>Year</u>	<u>Source</u>	<u>Amount</u>
Severn Intergenerational Center	Anne Arundel	2022	Bond Initiative	\$2,000,000
		2022	SCCGP	800,000
		2021	Bond Initiative	1,000,000
Subtotal				\$3,800,000
Delmarva Community Services – Chesapeake Grove Intergenerational Center	Dorchester	2022	Bond Initiative	\$1,000,000
		2021	Bond Initiative	1,000,000
		2020	Bond Initiative	200,000
		2019	Bond Initiative	1,000,000
Subtotal				\$3,200,000
Queen Anne’s County Family YMCA and Senior Center		2022	Bond Initiative	\$565,000
Subtotal				\$565,000
Maryland Intergenerational Family Life Center	Prince George’s	2022	Bond Initiative	\$75,000
		2019	Bond Initiative	50,000
Subtotal				\$125,000
YMCA of Chesapeake – St. Michaels YMCA/Senior Center	Talbot	2020	Bond Initiative	\$250,000
		2019	SCCGP	800,000
		2019	Bond Initiative	500,000
Subtotal				\$1,550,000
Total				\$9,240,000

SCCGP: Senior Center Capital Grant Program

Note: This exhibit does not reflect authorizations prior to fiscal 2019 and only includes funding designated for projects specifically identified as intergenerational centers. For example, each year, various YMCAs also received funding through bond initiatives and may offer some intergenerational services but are not specifically identified as an intergenerational center or dedicating facility space specifically for a senior citizen activity center.

Source: Maryland Consolidated Capital Bond Loan of 2018-2021

The SCCGP’s fiscal 2023 budget provides \$800,000 to support one intergenerational project, the Queen Anne’s County Family YMCA and Senior Center. However, the budget provides an additional \$3.5 million for two intergenerational centers funded as miscellaneous grants outside the SCCGP: \$2.0 million for the Catholic Charities Intergenerational Center in Baltimore City and \$1.5 million for the Delmarva Community Services Chesapeake Grove Intergenerational Center in Dorchester County.

SCCGP Funding Ceiling and Oversight of State Investments in Intergenerational Centers

In addition to the Queen Anne’s County Family YMCA and Senior Center project which is proposed to receive SCCGP funding in fiscal 2023, three other intergenerational center projects funded since fiscal 2019 received the maximum contribution from the SCCGP. In all cases, the \$800,000 available from the SCCGP constitutes less than an eighth of the funding needed to cover each project’s cost. Yet this funding ceiling has not limited State investments in each project. Instead, each project received most of its State funding through bond initiatives. In fact, over the previous four fiscal years, the majority (83%) of the State’s investment in intergenerational centers has been provided through bond initiatives.

Bond initiatives offer fewer oversight opportunities than are available by funding projects through the SCCGP. For example, the following requirements apply to projects funded through the SCCGP but are not applicable to bond initiatives:

- grant funding cannot exceed 50% of the project’s total cost;
- expenditures of grant funding to develop a master plan may not exceed the lesser of \$15,000, or 50%, of the cost of development of the plan;
- at any reasonable time, an MDOA representative may enter a building or place for which a grant was awarded to inspect any pertinent equipment or part of the building or place; and
- a right of recovery must be filed with the property title allowing the State to recover its grant funds should the facility cease to be used as a senior center over a 15-year period (bond initiatives must be used for a public purpose for 15 years, but there is more flexibility should the facility cease to be a senior center but serve a different public purpose).

These SCCGP requirements present administrative and oversight advantages that are not available through bond initiatives. However, the SCCGP requires that State grants to one senior center cannot cumulatively exceed \$800,000 in a 15-year period. Given the cost of intergenerational center projects, which frequently involve major facility renovations or construction of additional programming space, SCCGP maximum contributions represent a small share of total project costs. While SCCGP investments are limited, bond initiative contributions are not. Thus, the funding ceiling enforced by SCCGP limits oversight and encourages the use of miscellaneous grants to obtain additional State funding.

MDOA has previously indicated that the funding ceiling, at its current level, likely presents an obstacle for local jurisdictions considering improvements to, or new construction of senior citizen activities centers that provide an intergenerational service model, due to the higher development and constructions costs. In prior years, the program has funded many small projects that supported existing senior center’s facility renewal needs but largely did not increase programming space or improve service provision. **The Department of Legislative Services recommends that consideration be given**

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to increasing the \$800,000 funding ceiling for projects that expand programming space, especially those that provide an intergenerational service model.