



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**RE: HB 1423 – FUNDING FORMULA NOTIFICATION – MARYLAND DEPARTMENT OF AGING**

Chair McIntosh, Vice Chair Jackson, and members of the Appropriations committee. Thank you for allowing me to present testimony in support of house bill 1423, which aims to ensure that the Maryland Department of Aging provides at least six months of notice to the local agencies, General Assembly and the Governor in advance of funding formula changes. The intent of the bill is to allow local jurisdictions to be able to have sufficient time to adjust to and compensate for the loss of funds to older adult programs.

Most AAA funding is distributed by the Maryland Department of Aging based on population-based funding formulas, which in turn are based on other factors like the rate of growth of 60+ adults and low income 60+ adults living in a jurisdiction. If the rate for a local jurisdiction is higher than the state, the jurisdiction receives a larger share of the MDoA's administered funds. Baltimore City and the rural counties in Eastern shore and Western Maryland have a lower rate of growth of older population than the state as a whole. Unfortunately, this has resulted in substantial shifting of funds from the city and rural counties to the suburban counties, despite a considerable number of older adults staying in these jurisdictions. In April 2019, a revision of funding formulas for nutrition programs resulted in a decrease of hundreds of thousands of dollars in services for older adults in the city. While the department claimed they had made the changes in 2015, the agencies were held harmless until July of 2019, when the change was implemented. The area agencies contest that they had no information about the change until it was put forth. The late announcement makes it almost impossible for local jurisdictions to work around the loss of funds, which complicates the situation even further.

In the event of any prospective funding changes in formula, we believe that MDoA should utilize a more transparent and logical public process for implementing these changes to ensure a clear understanding by

the jurisdictions affected. This public process will also ensure ample notice is given to the local agencies, and include the General Assembly and the Governor, to adjust to the considerable changes.

The fiscal note states that “the Secretary typically prepares the agency’s budget for the following fiscal year during the summer and submits the budget to the Department of Budget and Management (DBM) in September. Pursuant to statutory requirements, the Governor compiles information received from State agencies to submit the annual budget for the next fiscal year by the third Wednesday in January.” This follows the process for what we are requesting. As the information is compiled and submitted in January, this is in line with 6 months before the budget goes into effect.

Additionally, the Maryland Department of Budget and Management opposes the bill based on the grounds of the Maryland Constitution that states in Article III, Section 52(11) that “for purposes of making up the Budget, the Governor **shall** require from the proper State officials...such itemized estimates and other information.” The six month notice does not interfere with the Governor’s authority in the budget making process as established, it simply requires advance notice in the change to funding allocations in the future.

Delegate Tony Bridges