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MAYOR

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HB 1423

March 3, 2020

TO: Members of the House Appropriations Committee
FROM: Nicholas Blendy, Deputy Director of Government Relations
RE: House Bill 1423 – Human Services – Department of Aging – Budget
POSITION: SUPPORT

Chair McIntosh, Vice Chair Jackson, and members of the committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 1423.

The BCA supports HB 1423 because it is a step towards creating a transparent public process to communicate funding changes. Transparency is vital to afford jurisdictions the opportunity to understand and respond to revisions in funding formulas, especially when they could result in reduction in services for vulnerable populations.

Approximately 89% of the Maryland Department of Aging (MDoA) FY 2021 budget is allocated for grants to Maryland’s 19 area agencies on aging (AAA), which plan, coordinate, and deliver services for older adults in Maryland. Most AAA funding is distributed based on population-based funding formulas, including funding for nutrition programs, community services and Senior Care, a program of in-home services. Funding formulas are based on several factors, including a jurisdiction’s population of older adults over 60 and its low-income population over 60 years of age.

Shifts in the State’s population of older adults change how this funding is allocated among jurisdictions. For example, if the rate of growth of a local jurisdiction’s older population is higher than that of the State, over time, that jurisdiction’s proportion of the State’s older population will increase and it will receive a larger share of MDoA administered funds. Conversely, if the rate of growth for a local jurisdiction is lower than that of the State, over time, that jurisdiction’s share of MDoA funds will decline.

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Baltimore City and rural counties on the Eastern Shore and in Western Maryland have a lower rate of older adult population growth than the State as a whole, compared with suburban counties, which have a higher rate. Over the past thirty years, we have seen continued shifting of funds from the City and rural counties to suburban counties.

Recently, a shift in the funding formula resulted in a significant reduction in funding for services provided to vulnerable older adults. In Baltimore City, it resulted in a 40% reduction in funding to meal programs for older adults. Other smaller jurisdictions faced 75% in cuts to their nutrition programs.

The BCA believes a six-month notification period would ensure that jurisdictions have the time to clearly understand funding formula changes, as well as to prepare and plan ahead to identify alternative resources for older adults who will be impacted.

For the foregoing reasons, we respectfully request a **favorable** report on House Bill 1423.