

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Human Services
Aging and Adult Services

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1.0 Summary: Division of Aging and Adult Services

The Division of Aging and Adult Services (DAAS) is the designated State Agency authorized to coordinate all State activities related to the Older Americans Act of 1965. It advocates for the elderly, contracts for services, and administers State and federal programs for the elderly. The Division is also responsible for the protection of abused, neglected and exploited adults. Programs funded through the Older Americans Act must be distributed to the State's 12 local Area Agencies on Aging (AAA's) through an approved funding formula.

1.1 Financial Summary

For FY 2001, the Analyst recommends an appropriation for DAAS totaling approximately \$18 million, including \$11.1 million from the General Fund. Most of the balance comes from federal sources. About 80 percent of the Division's budget is passed through to local AAA's.

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
General Fund	\$11,107,400	(\$41,700)	\$11,065,700
Federal Funds	6,780,400		6,780,400
Dedicated Credits Revenue	100		100
Transfers - H - Medical Assistance	185,300		185,300
Total	\$18,073,200	(\$41,700)	\$18,031,500
Programs			
Administration	\$1,195,500		\$1,195,500
Local Government Grants	11,939,000		11,939,000
Non-Formula Funds	1,985,200		1,985,200
Adult Protective Services	2,953,500		2,953,500
<i>Transfer: Public Guardian to EDO</i>		(\$41,700)	(41,700)
Total	\$18,073,200	(\$41,700)	\$18,031,500
FTE	67.1	(2.0)	65.1

2.0 Issues: Budget Highlights Division of Aging and Adult Services

21. Division Budget Summary

DIVISION OF AGING AND ADULT SERVICES		
SUMMARY OF ANALYST RECOMMENDATIONS - FY 2001		
	General Fund	Total Funds
FY 2000 AUTHORIZED	\$11,192,800	\$18,461,600
Non-General Fund Revenue Estimate Revisions	0	(297,100)
Less: One-time Funding for Senior Centers	(50,000)	(50,000)
FY 2001 BASE BUDGET	<u>\$11,142,800</u>	<u>\$18,114,500</u>
Adjustment for 16 less work hours	(19,000)	(22,400)
State ISF Rate Changes	(7,500)	(8,300)
State Retirement Rate Reductions	(9,700)	(11,400)
Risk Mgt Rate Redistribution (from FY 2000)	800	800
FY 2001 ADJUSTED BASE BUDGET	<u>\$11,107,400</u>	<u>\$18,073,200</u>
Transfer Public Guardian Function to Exec. Dir. Office	(41,700)	(41,700)
FY 2001 ANALYST RECOMMENDED BUDGET	<u><u>\$11,065,700</u></u>	<u><u>\$18,031,500</u></u>
(Without Compensation Adjustment)		

2.2 Adjustments to Base Budget

The Fiscal Analyst adjusted the base budget for FY 2001 to reflect the shortened work year by 16 hours (\$19,000 General Fund reduction), change in the retirement rate (\$9,700 General Fund reduction), changes in the rates charged by the State’s internal service funds (\$7,500 General Fund reduction), and an \$800 increase for an adjustment in last year’s appropriated increase for Risk Management’s liability premium increase. These budget adjustments are part of the recommendations for the Administration and Adult Protective Services programs in the Division.

2.3 Transfer of Public Guardian Staff and Resources

The Fiscal Analyst included a requested transfer of \$41,700 (General Fund) from DAAS to the Executive Director Operations budget along with two FTEs. This represents the transfer of the public guardian function from DAAS to the newly created Office of Public Guardianship.

2.4 Transfer from TANF Surplus Funds

Last year the Legislature included \$27,000 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DAAS budget. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

2.5 Legislative Intent Language

The 1999 Legislature included the following intent language in the FY 2000 appropriations act:

It is the intent of the Legislature that the Departments of Health and Human Services, and the Division of Employment Development in the Department of Workforce Services, and the State Office of Education work jointly through the regular budget process to present program budget overviews for services to people with disabilities and for services to the aging to be presented to the 2000 Health and Human Services Appropriations Subcommittee. These program budget overviews will include a discussion of the most appropriate and least costly funding options.

The Departments indicated have worked during the interim to prepare this report and will present it during one of the regular subcommittee hearings. This is the third year this report will be presented to the Legislature.

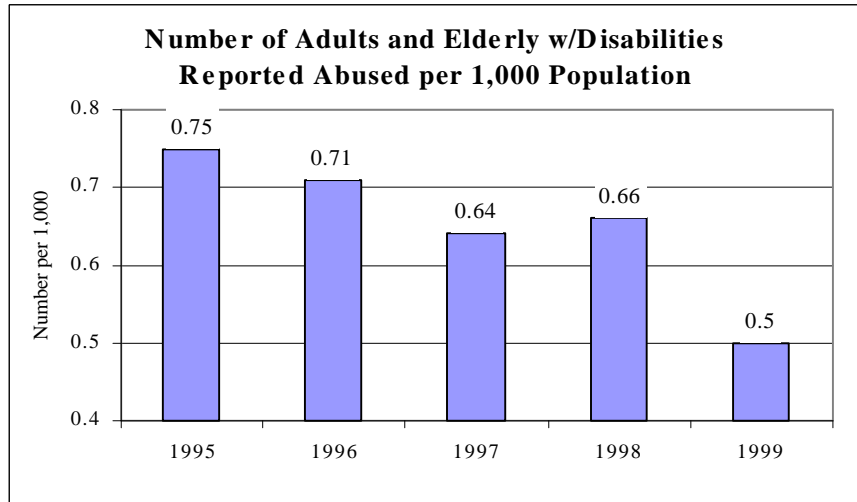
3.0 Programs: Division of Aging and Adult Services

Performance Measures

While the Division will report in more detail on performance and outcome measures, the Analyst has chosen several measures to highlight in this report. These measures are taken from the Department’s Outcome Measures publication and from “Utah Tomorrow.”

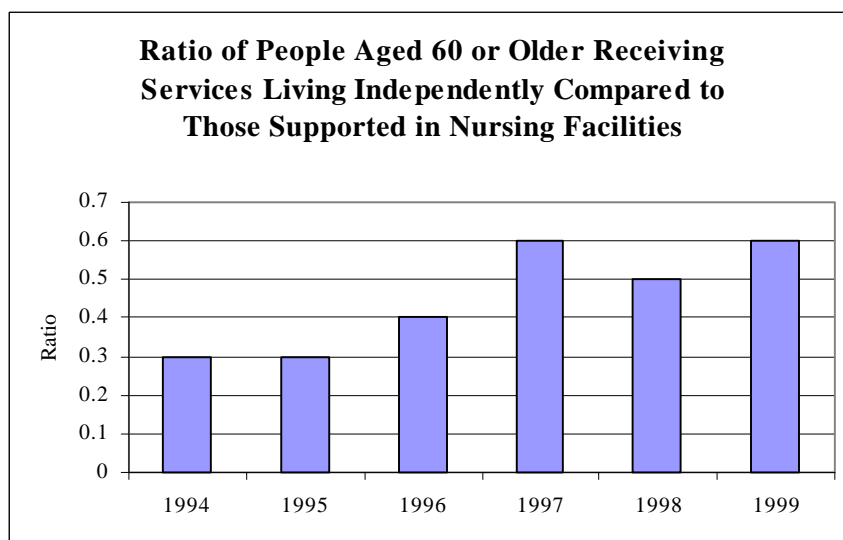
Reported cases of adult and elderly abuse have decreased.

The first chart shows the number of adults and elderly people with disabilities who have been reported as abused. The number of reported cases has dropped significantly between 1995 and 1999.



The share of elderly receiving services in their homes is increasing.

The second chart shows the ratio of people aged 60 and over receiving state services who are living independently or with community based assistance compared with those in nursing facilities. These figures do not include persons receiving only Meals-on-Wheels. As this ratio increases, the State is providing a greater proportion of elderly with services in alternative situations to nursing homes.



3.1 Administration

Recommendation

The Fiscal Analyst’s recommendation for FY 2001 totals \$1,195,500 (\$667,400 General Fund). The recommendation includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, and reallocation of Risk Management’s premium increase from FY 2000.

	FY 1999		FY 2001	Est/Analyst Difference
	Actual	Estimated		
General Fund	\$653,467	\$669,200	\$667,400	(\$1,800)
Federal Funds	402,304	484,600	483,300	(1,300)
Dedicated Credits Revenue		100	100	
Transfers - H - Medical Assistance	48,970	44,900	44,700	(200)
Beginning Nonlapsing	27,275			
Total	\$1,132,016	\$1,198,800	\$1,195,500	(\$3,300)
Expenditures				
Personal Services	\$877,644	\$1,013,400	\$1,003,000	(\$10,400)
In-State Travel	24,857	26,700	26,700	
Out of State Travel	13,122	16,600	17,300	700
Current Expense	132,796	102,500	109,200	6,700
DP Current Expense	83,597	39,600	39,300	(300)
Total	\$1,132,016	\$1,198,800	\$1,195,500	(\$3,300)
FTE	17.5	18.6	18.6	

surplus funds

Last year the Legislature included \$27,000 from federal TANF (Temporary Services Block Grant (SSBG) to fund the additional state match required for the Federal Medical Assistance Program (FMAP). This funding source is one- will be reduced.

Purpose

The State Office develops and monitors programs for older citizens. The receives federal funds, distributes them to local agencies, and provides required oversight, technical assistance, training, data collection and for the delivery of most services. The office administers the Medicaid Home and Community programs, Adult Protective Services, and the Ombudsman Program.

3.2 Local Government Grants

Recommendations The Analyst recommends \$11.9 million (\$6.6 million General Funds) be appropriated for distribution to local AAAs under this program. The recommendation is adjusted for changes in the State’s internal service fund rates.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	\$6,463,363	\$6,576,400		\$300
Closing Nonlapsing	95,812	81,100	5,362,300	
	(81,082)			
	<u>\$11,753,524</u>	<u>\$12,019,800</u>		<u>(\$80,800)</u>
Expenditures				
Other Charges/Pass Thru	\$1,579	\$1,600		\$300
Total	<u>\$11,753,524</u>		<u>\$11,939,000</u>	<u>(\$80,800)</u>

Purpose

Programs funded through the Older Americans Act must be distributed to Area Agencies on Aging (AAAs) through an approved funding formula. In Utah, there are twelve AAAs (local government units) under contract with the State Division. Five counties are separate service providers (Salt Lake, Davis, Tooele, San Juan and Uintah Counties). One provider is a cooperative venture between Weber and Morgan Counties. The other six providers are associations of governments:

- Mountainland (Utah, Summit, Wasatch)
- Five County Assoc. (Kane, Iron, Washington, Garfield, Beaver)
- Six County Assoc. (Juab, Millard, Sevier, Wayne, Piute, Sanpete)
- Southeast Assoc. (Carbon, Emery, Grand)
- Uintah Basin (Daggett, Duchesne)
- Bear River Assoc. (Cache, Box Elder, Rich)

Local formula grants are distributed on the basis of formulas developed by the State Board of Aging and Adult Services. The Board has developed separate formulas for the distribution of Older American Act Funds, General Fund appropriated for In-Home Services, and funds for the Ombudsman Program. Some of the services and programs operated by the AAAs are listed below.

Support Services: This includes outreach, transportation, friendly visitor, telephone reassurance services and other services designed to provide support to individuals in their own homes.

Nutrition: The Area Agencies on Aging provide both group (congregate) and home delivered meals. Approximately 32,000 people participate in the meals program. Recipients contribute approximately 25 percent of the cost of the meals. Many rural communities do not have meal programs available. Most existing programs have waiting lists for home delivered meals.

Cash In-lieu of Commodities: This is a federal Department of Agriculture grant which reimburses nutrition providers for a portion of the cost of food.

Elder Abuse Prevention: Abuse prevention consists of a public relations campaign promoting awareness and the need of reporting abuse, neglect and exploitation of the elderly.

Preventive Health: Preventive Health is an outreach and educational program designed to promote healthy life styles among the elderly.

Long Term Care Ombudsman: An Ombudsman program is established in Section 62A-3-201UCA 1953 to assist the elderly in “asserting their civil and human rights as patients, residents, and clients of long-term care facilities . . .” There are currently seven full-time and eighteen part-time ombudsmen in the state. There are also volunteers who serve as ombudsmen. They serve residents of nursing homes, residential facilities and adult foster care homes.

Respite Care: This is a new program funded last year. It provides intermittent relief to care givers of adults suffering chronic long-term illnesses.

Home and Community-based Alternatives: This program makes available a wide variety of in-home services, personal care, home health aides, respite, home delivered meals, day care, transportation, etc. Clients must meet income and eligibility guidelines to receive services and fees are assessed based on ability to pay. During 1999, more than 1,300 Utah seniors received services under this program which enabled them to remain in their own homes.

Health Insurance Information Program: This is an educational program assisting individuals with complex Medicare/Medicaid and supplemental insurance programs, questions and billing problems.

3.3 Non-Formula Funds

Recommendations The Analyst recommends approximately \$2 million (\$1.2 million General Fund) be appropriated for these programs for FY 2001.

	FY 1999	FY 2000	Est/Analyst	
Financing		Estimated	Analyst	
General Fund	\$964,370	\$1,181,800	\$1,181,800	
General Fund, One-time		50,000		(\$50,000)
Federal Funds	664,476	662,800	662,800	
Transfers - H - Medical As	148,896	140,600	140,600	
Beginning Nonlapsing		140,000		(140,000)
Closing Nonlapsing	(140,000)			
Lapsing Balance	(485)			
Total	<u>\$1,637,257</u>	<u>\$2,175,200</u>	<u>\$1,985,200</u>	<u>(\$190,000)</u>
Expenditures				
Personal Services			\$22,000	\$22,000
Current Expense	\$21,999	\$22,000		(22,000)
Other Charges/Pass Thru	1,615,258	2,153,200	1,963,200	(190,000)
Total	<u>\$1,637,257</u>	<u>\$2,175,200</u>	<u>\$1,985,200</u>	<u>(\$190,000)</u>

One-time

Last year, the Legislature appropriated \$50,000 from the General Fund (FY 2000) for repairs and renovations of senior citizen centers around the State.

*Senior Citizens
Centers*

Adult Services. They have been deleted from the FY 2001 base budget.

The Division administers programs that have different funding sources and program has its own funds distribution method for the Area Agencies and other subcontractors. These programs include:

This is a federally funded program to provide volunteer opportunities for senior citizens, including socialization for with juvenile offenders, and staffing service agencies.

Health Insurance Information Program:

county in Utah and assists seniors in understanding the complexities of the Medicare/Medicaid and supplemental insurance programs.

This federally funded program subsidizes part-time employment and training for low-income seniors. Last year, this program

Advocacy Information: The Division provides information for inclusion into funded newsletter entitled "Old News is Good News." These publications provide information on available services and senior issues.

Home and Community Based Waiver: This waiver program permits Medicaid funding for services to the elderly in non-institutional settings. These services often allow seniors to maintain their independence. Medicaid restricts the cost of services to not exceed the cost of nursing homes. Currently, about 625 Utahns are served by this program enabling them to continue residing in their own homes.

3.4 Adult Protective Services

Recommendations

The Analyst recommends \$2.9 million (\$2.6 million General Funds) for Adult Protective Services for FY 2001. This reflects the transfer of \$41,700 (General Fund) to the Executive Director Operations (EDO) budget along with 2 FTEs to the newly created Office of Public Guardianship. It also includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, and reallocation of Risk Management’s premium increase from FY 2000.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$2,658,900	\$2,715,400	\$2,639,800	(\$75,600)
Federal Funds	661,607	352,400	272,000	(80,400)
Beginning Nonlapsing	36,166			
Total	\$3,356,673	\$3,067,800	\$2,911,800	(\$156,000)
Expenditures				
Personal Services	\$2,343,401	\$2,395,200	\$2,290,500	(\$104,700)
In-State Travel	41,030	28,900	20,800	(8,100)
Out of State Travel	5,262	6,100	4,700	(1,400)
Current Expense	243,135	209,100	190,200	(18,900)
DP Current Expense	429,389	146,900	133,000	(13,900)
Other Charges/Pass Thru	294,456	281,600	272,600	(9,000)
Total	\$3,356,673	\$3,067,800	\$2,911,800	(\$156,000)
FTE	49.5	48.5	46.5	(2.0)

Purpose

Adult Protective Services (APS) is both a State and federally mandated program to protect disabled and elderly adults, age 18 and over, from abuse, neglect and exploitation. The State has a mandatory reporting law requiring all citizens to report suspected cases. APS investigates these referrals and takes action to protect the individual from further harm. Most clients are referred to other agencies for services, but APS has funding to provide a limited number of Adult Foster Care and Adult Day Care placements. APS also provides protective payee services on a voluntary basis to clients who cannot manage their funds without assistance. For clients found incompetent by the courts and who have no one else to serve as their guardian, the Office of Public Guardian may be appointed as their guardian. This newly created office took over this function from APS in 1999. APS services include:

Adult Day Care: This program provides a safe place for families to place their relatives during the day. Day Care is especially important for individuals (and their families) suffering from Alzheimer and other diseases. In 1999, this program served 52 residents of Utah.

Adult Foster Care: In 1999, 24 people were provided Adult Foster Care services. This program provides family-based care for adults unable to live independently. The client can pay the provider directly for room and board, or the Division approves the foster home and pays them a service fee to cover the cost of supervision and care.

Protective Payee Services: Individuals receiving these services are victims of abuse, neglect, or exploitation and lack the ability to manage their own incomes. They have payee services as part of their treatment program managed by their caseworker.

Adult Guardianship: Last year, the Division was the legal guardian for 40 elderly who had no other persons to assist them. Some of these clients were assigned by the court system. This function is being transferred to the new Office of Public Guardian in the Department's Executive Director's Office.

4.0 Additional Information: Division of Aging and Adult Services

4.1 Funding History

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	\$10,123,600	\$9,937,600	\$10,740,100	\$11,142,800	\$11,065,700
General Fund, One-time				50,000	
Federal Funds	6,280,030	6,529,507	7,003,818	6,862,100	6,780,400
Dedicated Credits Revenue				100	100
Transfers - H - Medical Assistance	210,417	158,065	197,866	185,500	185,300
Transfers - Internal	39,220				
Beginning Nonlapsing	139,155	391,600	159,253	221,100	
Closing Nonlapsing	(391,600)	(159,253)	(221,082)		
Lapsing Balance	(146,031)		(485)		
Total	\$16,254,791	\$16,857,519	\$17,879,470	\$18,461,600	\$18,031,500
% Change		3.7%	6.1%	3.3%	-2.3%
Programs					
Administration	\$1,006,790	\$1,035,682	\$1,132,016	\$1,198,800	\$1,195,500
Local Government Grants	10,776,850	11,419,940	11,753,524	12,019,800	11,939,000
Non-Formula Funds	1,579,799	1,495,955	1,637,257	2,175,200	1,985,200
Adult Protective Services	2,891,352	2,905,942	3,356,673	3,067,800	2,911,800
Total	\$16,254,791	\$16,857,519	\$17,879,470	\$18,461,600	\$18,031,500
Expenditures					
Personal Services	\$2,912,411	\$2,959,110	\$3,221,045	\$3,408,600	\$3,315,500
In-State Travel	50,317	51,856	65,887	55,600	47,500
Out of State Travel	16,643	13,730	18,384	22,700	22,000
Current Expense	479,578	447,972	399,509	335,200	301,300
DP Current Expense	205,178	298,613	512,986	186,500	172,300
Other Charges/Pass Thru	12,590,664	13,086,238	13,661,659	14,453,000	14,172,900
Total	\$16,254,791	\$16,857,519	\$17,879,470	\$18,461,600	\$18,031,500
FTE	65.9	63.7	67.0	67.1	65.1

4.2 Federal Funds

Program	FY 1999 Actual	FY 2000 Authorized	FY 2001 Analyst
Title XX Soc. Svc Block Grant General Funds	\$661,607	\$417,900	\$298,900
Totals for this grant/contract	\$661,607	\$417,900	\$298,900
Title IIIC1 Congebrate Meals* General Funds	\$2,117,857 180,018	\$1,771,900 150,600	\$1,821,000 154,800
Totals for this grant/contract	\$2,297,875	\$1,922,500	\$1,975,800
Title IIIB Support Svc* General Funds	\$1,796,335 138,318	\$1,755,100 135,100	\$1,743,300 134,200
Totals for this grant/contract	\$1,934,653	\$1,890,200	\$1,877,500
Title IIID Frail Elderly * General Funds	\$60,080 3,605	\$63,300 3,800	\$63,300 3,800
Totals for this grant/contract	\$63,685	\$67,100	\$67,100
Title V SCSEP ** General Funds	\$578,464	\$578,500	\$578,500
Totals for this grant/contract	\$578,464	\$578,500	\$578,500
Title IIIC Home Meals * General Funds	\$379,747 21,266	\$727,900 40,800	\$727,900 40,800
Totals for this grant/contract	\$401,013	\$768,700	\$768,700
Cash in lieu of Commodities General Funds	\$1,140,505	\$1,221,700	\$1,221,700
Totals for this grant/contract	\$1,140,505	\$1,221,700	\$1,221,700
DOH&HS Grants General Funds	\$84,103	\$104,800	\$104,800
Totals for this grant/contract	\$84,103	\$104,800	\$104,800
SSBG (TANF transfers) General Funds	\$0	\$27,000	\$27,000
Totals for this grant/contract	\$0	\$27,000	\$27,000
Misc OHDS Grants General Funds	\$134,071	\$137,400	\$137,400
Totals for this grant/contract	\$134,071	\$137,400	\$137,400
DHS PHS Grants General Funds	\$29,953	\$30,300	\$30,300
Totals for this grant/contract	\$29,953	\$30,300	\$30,300
DHS Other Grants General Funds	\$21,096	\$26,300	\$26,300
Totals for this grant/contract	\$21,096	\$26,300	\$26,300
Total Federal Funds	\$7,003,818	\$6,862,100	\$6,780,400
Total State Funds	343,206	330,300	333,600
Total Funds	\$7,347,024	\$7,192,400	\$7,114,000

* 25% match admin, 5% programs. Local Authorities must provide 10% match
 ** All match by Local Authorities

**Future Impact of
Current Federal
Fund Decisions**

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years, and will likely be reduced in the future. The Utah grant was reduced by approximately \$550,000 in FY 2000 and another \$1 million reduction is projected for FY 2001. For DAAS, these reductions translate to budget reductions of \$14,000 in FY 2000 and about \$26,000 in FY 2001.

The State has been transferring TANF (Temporary Assistance for Needy Families) surplus funds for the past few years. For FY 2000, the Legislature included \$27,000 of TANF funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DAAS budget. The TANF surplus funds will probably not be available after FY 2002.