

# **Enhancing Caring Communities: Strategies to Help Locally-Funded Senior Service Programs to Better Support Caregivers**

## **Executive Summary**

### ***Nature of Problem Addressed***

The growth in the number of older adults in the United States is having a profound impact on social, economic, and health systems. Current estimates project that the number of older adults will increase by 30% by 2030, giving rise to concerns about the funding available to support this population.<sup>1</sup> Expenditures on Medicare and Medicaid continue to increase, driven both by the sheer growth in the number of older people and continually rising health care costs. Federal funding allocated to the Older Americans Act (OAA) has not increased, however.<sup>2</sup> Critics of current spending patterns suggest that limiting expenditures on the services typically funded by the OAA actually contributes to the increasing health and institutional long-term care bill in the United States.<sup>3,4</sup>

States have responded to these concerns by dramatically expanding home and community-based services (HCBS) through Medicaid waivers that provide services such as personal care, home delivered meals, medical transportation, and durable medical equipment. Because Medicaid waivers serve only those individuals with severe disability and very low incomes, many older adults and their family and friend caregivers are excluded from this option.<sup>5</sup> Some states have attempted to address this gap through the development of state-funded programs, but tremendous cost pressures on state budgets, including the high cost of the state match for the Medicaid program, has placed considerable constraints on most states' ability to provide additional support for aging services.<sup>6</sup>

As a result, some counties and municipalities are using alternative funding strategies, such as voter-approved property tax levies, to better serve older members of their communities. This study

examined how communities across the nation are utilizing local funding streams to support aging services, with a particular emphasis on how caregivers are being supported through these initiatives.

### ***Study Methodology***

To identify states with local funding we used an array of resources, including: a 2019 Advancing States national survey of state units on aging asking about locally-funded HCBS programs; telephone calls to state units on aging, area agencies on aging, aging services providers, county auditor offices, and Secretary of State offices; online reviews of county budgets for special levies; and web searches for local levies and ballot initiatives. We found initiatives at county, township, village, and city levels. Some local initiatives funded an overarching program with shared eligibility requirements, goals, and other characteristics—even when multiple agencies received funding. Others distributed funds to multiple agencies serving older adults in their geographic area.

An online Qualtrics survey was designed to capture the type of local funding, services provided for older adults and their family or friend caregivers, number served, the amount of local funds used for each service, and program characteristics such as eligibility criteria, cost sharing policies, and how local funds may have been used as a match for federal or state programs. The population for our survey included all initiatives identified at the county, township, village, and city levels. In most cases one survey was distributed to a county, unless a county included more than one funding initiative (such as a township levy) or multiple surveys were required to capture the services provided. The survey was distributed to 414 contacts. We received 228 completed surveys for a response rate of 55%.

Because of our specific interest in understanding initiative efforts to serve family and friend caregivers, a more detailed assessment of such efforts was also a major focus. To this end, we

conducted semi-structured telephone interviews with 29 organizations who indicated in their online survey that they provide caregiver services with local funds. Respondent organizations were selected to provide representation from each of the states with local funding identified through the online survey and to include different types of organizations such as area agencies on aging, councils on aging, county departments on aging, senior centers, and community service providers. In the interviews, we inquired about current services and strategies used to support caregivers, gaps in knowledge, needed resources, and barriers to enhancing caregiver support. Additionally, we inquired whether the organizations had interest in participating in a learning collaborative focused on enhancing caregiver support and what topics related to caregiver support would be most useful.

### ***Most Important Findings***

We identified 15 states with local funding and 377 communities in those states with voter-approved funding initiatives. The most common source of local funding reported was the county property tax levy; we also found payroll and sales tax as funding sources in a handful of communities, as well as a city charter amendment to fund senior services. Local funding varied within and across states, with annual funding ranging from \$8,500-\$47 million. Total funding from all local initiatives identified nationwide was \$400 million dollars in 2018.

The means by which local funds are collected and distributed varies between states. In some cases, funds are distributed by an organization with the responsibility to only distribute the funds but not to provide services (county clerk's offices, county auditor's offices, community development offices, county fiscal courts, and volunteer boards appointed by county commissioners). In other instances, funds are allocated to an organization that provides services, but can also contract with other agencies to provide services; these include senior centers, councils on aging, county commissions

on aging, community action agencies, and area agencies on aging.<sup>7</sup> When asked about their major responsibilities related to the local funding, monitoring of contracts and assuring accountability was frequently noted in addition to the above.

The services for older adults most commonly provided with local funds are home-delivered (81%) and congregate (73%) meals, transportation (61%), and homemaker services (49%). The likelihood of offering additional services such as care management, personal care, emergency response systems and adult day services was associated with increasing levels of program funding.

A majority of initiatives (63%) indicated that local funds are used to provide at least one family or friend caregiver service. However, a review of specific services provided to caregivers showed that these were not routinely offered. For example, respite, a widely known caregiver support service, was provided in about one-third of these programs; assessment of caregiver needs, viewed as an important function, occurred in three in ten initiatives. Caregiver support groups and educational programs were also provided by about one-third of these local initiatives. Although most programs provided only one or two services directly targeted to caregivers, over one-half of initiatives indicated that they would be interested in learning about a variety of service options to better support family or friend caregivers with their local funds.

As a supplement to the larger survey effort, we completed in-depth interviews with a sample of initiatives who reported that they provided caregiver services. Among these 29 organizations, the interviews found that not all reported services were actually targeted *specifically* to family and friend caregivers, but were often services targeted to older adults, with the potential to also benefit caregivers. While there were a handful of organizations that reported providing very robust services for caregivers in multiple categories, such as respite, education, and support groups, many

organizations offered limited support to directly benefit caregivers. Almost all interview respondents reported that the caregiver services provided are funded through a combination of sources including OAA Title III, the National Family Caregiver Support Program, and in some cases, state funds; sharing that the local funds they received allowed them to expand and enhance services to serve more people.

In the interviews, respondents were asked about knowledge, training, or resources they need to provide better services and support to caregivers and if their organization would be interested in participating in a future learning collaborative where representatives from locally-funded programs meet and collaborate to hear from national experts, share best practices, and foster partnerships and networks. Almost all respondents said their organizations would be interested in participating in a learning collaborative, depending on the timing and time commitment required. Several potential learning collaborative topics emerged through the interviews, including: available technologies and how to enhance virtual programming, caregiver outreach, strategies to increase caregivers' willingness to accept services, caregiver education opportunities, and initiating and sustaining support groups.

### ***Project's Value and Implications***

This project resulted in the first compilation and description of locally-funded elder service initiatives in the U.S., building and expanding upon Scripps' previous research focused on local funding in Ohio. With 15 states now using local funding in some of their communities, this innovation has gained traction and has become a critical solution in some communities. However, despite these funding innovations, targeted support for family and friend caregivers is still limited in local initiatives. Future work centered on efforts to share and enhance promising caregiver services practices across these local initiatives, perhaps through learning collaboratives, could expand the local community resources available to caregivers across the nation.

## References

<sup>1</sup> U.S. Census Bureau. (2017). *2017 national population projections tables: Main series*.

<https://www.census.gov/data/tables/2017/demo/popproj/2017-summary-tables.html>

<sup>2</sup> Congressional Research Service. (2018). Older Americans act: Overview and funding [CRS Report Prepared for Members of Congress]. <https://fas.org/sgp/crs/misc/R43414.pdf>

<sup>3</sup> Thomas, K. S., & Applebaum, R. (2015). Long-term services and supports (LTSS): A growing challenge for an aging America. *Public Policy and Aging Report*, 25(2), 56–62. <https://doi.org/10.1093/ppar/prv003>

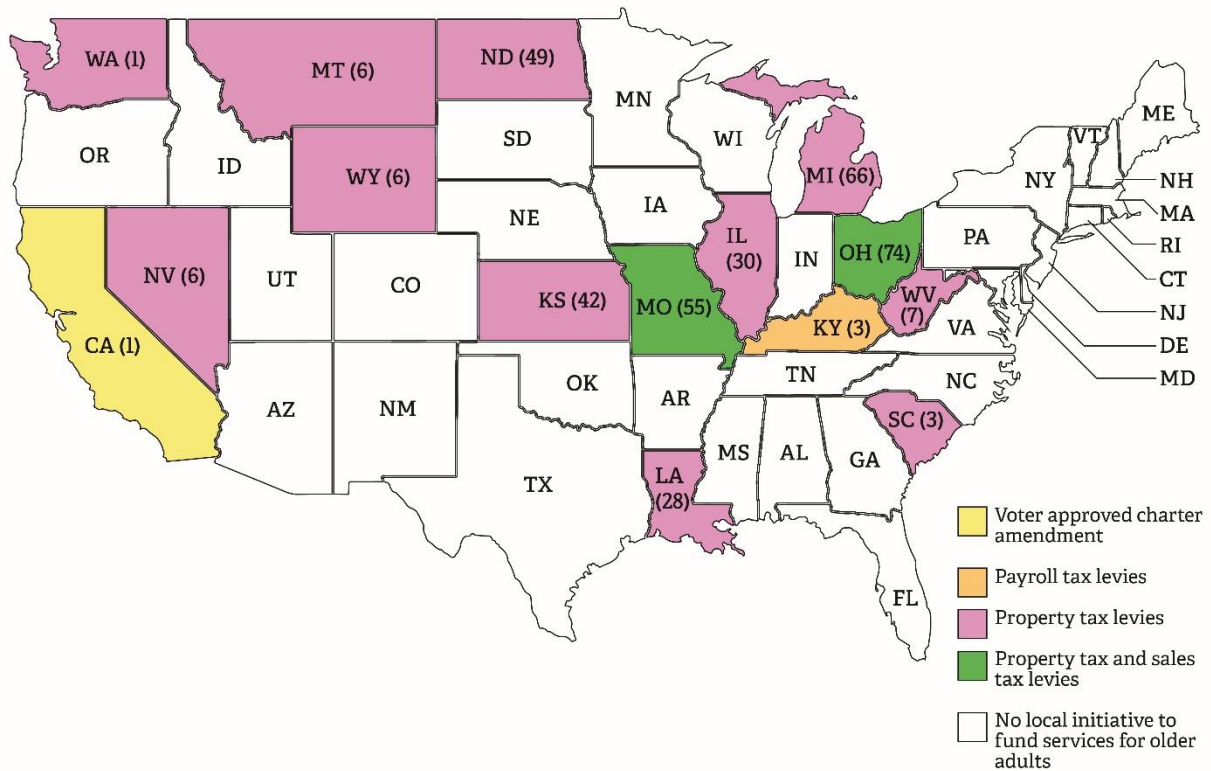
<sup>4</sup> Koumoutzis, A., Stemen, S. E., Maharjan, R., Heston-Mullins, J., Mayberry, P. S., & Applebaum, R. (2020). Local initiatives to fund services for older Americans: Community recognition of the importance of social care. *The Journal of Applied Gerontology*. Advance online publication. <https://doi.org/10.1177/0733464820944325>

<sup>5</sup> Lehning, A. J. (2018). Policies related to home and community-based services. In K. Anderson, H. Dabelko-Shoney, N. Fields (Eds.), *Home and community-based services for older adults: Aging in context* (pp. X-X). Columbia University Press.

<sup>6</sup> See 4.

<sup>7</sup> Ibid.

**Figure 1. Number of Local Regions in States and Types of Funding Initiatives to Support Aging Services Programs for Older Adults**



Adapted from Applebaum, R. & Heston-Mullins, J. (2020). *Local initiatives to fund services for older Americans: A growing option for states*. AARP Public Policy Institute 2020 LTSS State Scorecard Promising Practices and Emerging Innovations Series. Available at <http://www.longtermscorecard.org/publications/promising-practices/local-tax-levies>

**Table 1. States and Counties with Local Funding Initiatives and Amount by State**

<b>States with Initiatives</b>	<b>Counties with Initiatives</b>	<b>Mean*</b>	<b>Range*</b>
California	1	\$3M	N/A
Illinois	30	\$267K	\$22K - \$1.95M
Kansas	42	\$245K	\$19K - \$2.31M
Kentucky	3	\$588K	\$503K - \$686K
Louisiana	28	\$990K	\$65K - \$7.5M
Michigan	66	\$1.32M	\$122K - \$11M
Missouri	55	\$29K	\$16K - \$2.50M
Montana	6	\$507K	\$78K - \$1.59M
Nevada	6	\$751K	\$380K - \$1.56M
North Dakota	49	\$505K	\$8.5K - \$16M
Ohio	74	\$2.73M	\$21K - \$47M
South Carolina	3	\$697K	\$175K - \$1.56M
Washington	1	\$9.5M	N/A
West Virginia	7	\$116K	\$45K - \$209K
Wyoming	6	\$115K	\$84K - \$150K
<b>Total Initiatives</b>	<b>377</b>	<b>\$1.46M</b>	<b>\$398M*</b> (Total generated annually)

*Note.* Most initiatives are county-wide, but some are at the township, village or city level within a county.

\* Dollar amounts are based on data from 347 initiatives.



**Table 2. Survey Response by State**

<b>State</b>	<b>Surveys Sent*</b>	<b>Surveys Completed</b>	<b>Response Rate (percent)</b>
California	1	1	100
Illinois	32	16	50
Kansas	69	25	36
Kentucky	3	3	100
Louisiana	29	14	48
Michigan	68	34	50
Missouri	52	29	56
Montana	6	6	100
Nevada	6	1	17
North Dakota	50	22	44
Ohio	84	69	82
South Carolina	3	1	33
Washington	1	1	100
West Virginia	7	5	71
Wyoming	3	1	33
<b>Total</b>	<b>414</b>	<b>228</b>	<b>55</b>

\*Surveys were sent to all local funding initiatives in a county, and to multiple agencies receiving funding from one initiative when administration was divided.

**Table 3. Levy Organizations and Responsibilities Related to Local Funding**

<b>Program Attributes</b>	<b>Percent Yes</b>
<b>Agency Type</b>	
Government	35.1
Council and/or Commission on Aging	21.0
Senior Center	18.4
Area Agency on Aging	13.2
Private, Nonprofit Agency	12.3
<b>Organizational responsibilities related to local funding (could check more than one category)</b>	
Receives and uses funds for older adults and/or caregivers	76.3
Receives and uses funds to contract for services from other agencies	50.9
Makes decisions about which organizations will receive local funds	39.9
Other	36.4

*Note.*  $n = 228$  survey respondents

*Note.* Used the following hierarchal system for Agency Type response categories (AAA, Council/Commission on Aging, Senior Center, Government, Non-Profit). For example: if an organization was a AAA and a Private, Nonprofit Agency, they were categorized as a AAA.

*Note.* Examples of "other" organizational responsibilities include monitor contracts, distribute state mill levy match, and quarterly review of expenditures.

**Table 4. Locally-Funded Program Description**

<b>Program Attribute</b>	<b>Percent Yes</b>
<b>Minimum age criterion used for service eligibility</b>	
50-59 years	11.9
60-64 years	85.2
65+ years	2.9
<b>Eligibility and Program Management</b>	
Functional criteria (such as ADL impairment) used for eligibility	34.0
Income criterion used for service eligibility	15.3
Payment or cost share for services may be required based on income	39.0
Family/friend caregivers allowed to hire own aide (self-direction)	5.9
Local funds used for operational or administrative expenses (such as utilities, building maintenance, wages, or office supplies)	88.6
Local funds used as match for Older Americans Act funds	43.9
Local funds used as match for State Funds	29.0
Local funds used as match for Medicaid and/or other funds	.10
<b>Strategies employed to monitor locally funded services (could select all that apply):</b>	
Consumer satisfaction surveys	55.7
Provider audits	48.7
Provider certification	27.6
Family satisfaction surveys	21.1
Unannounced home visits	20.2
Other	13.6

*Note.*  $n = 228$  survey respondents

*Note.* Examples of “other” strategies include detailed budget reports, communication with clients and providers, NCOA/NISC Accreditation process, and governing board.

**Table 5. Locally-Funded Program Services and Number of Individuals Served**

<b>Services Provided</b>	<b>Percent Yes</b>	<b>Mean Number Served</b>	<b>Range Served</b>
Home-delivered meals	81.1	1,015	10 - 18,000
Congregate meals	73.3	1,031	30 - 18,137
Non-medical transportation	61.4	890	4 - 19,269
Medical transportation	60.5	747	6 - 12,845
Homemaker	48.7	353	5 - 3,830
Personal care	39.9	156	5 - 2,259
Adult day services	27.2	59	3 - 309
Durable medical equipment	21.9	175	5 - 1,245
Emergency response system	21.9	532	5 - 3,592
Home repair	20.6	175	5 - 1,245
Home modification	16.7	174	2 - 1,135
Adult protective services	11.4	1,107	4 - 5,392
Mental/behavioral health services	11.0	532	5 - 3,592
Other	56.6	2,641	1 - 75,000
Care management provided with local funds	37.9	N/A	N/A
	(n = 228)	(n = 80)	(n = 80)

*Note.* Fewer respondents answered the number served question.

*Note.* Examples of “other” services provided include senior farmer's market vouchers, utility assistance, activities, and tax assistance.

**Table 6. Local Program Support for Caregivers**

<b>Caregiver Services</b>	<b>Percent Yes</b>
Program provides at least one service to family and/or friend caregivers	62.7
Services Provided (could select more than one service)	
Respite Services	35.5
Education/Training Programs	33.3
Assessment of Caregiver Needs	29.8
Family or Friend Caregiver Support Groups	26.8
Programs for Family or Friend Caregivers of those with Specific Illnesses or Impairments (e.g. Parkinson's, Alzheimer's)	20.6
Counseling Programs	13.6
Coaching or Care Navigation Programs	10.5
Other (e.g., adult day, information/referral, application assistance)	11.4
Reported eligibility criteria for family or friend to receive services (e.g., must reside with care recipient, 24-hr care needed by recipient)	19.7
Interested in learning about service options to support caregivers with local funds	51.4

Note. n = 228 survey respondents

**Table 7. Locally-Funded Program Description in Rural and Non-Rural Communities**

<b>Program Attribute</b>	<b>Rural Percent Yes</b>	<b>Non-Rural Percent Yes</b>
<b>Minimum age criterion used for service eligibility</b>		
50-59 years	12.9	10.6
60-64 years	81.5	89.4
65+ years	5.6	0.0
<b>Eligibility and Program Management</b>		
Functional criteria (such as ADL impairment) used for service eligibility	28.0	40.4
Income criterion used for service eligibility	7.8	23.4
Payment or cost share for services may be required based on client income	32.3	45.8
Family/friend caregivers allowed to hire own aide or homemaker (i.e. consumer direction or self-direction)	5.2	6.7
Local funds used for operational or administrative expenses (such as utilities, building maintenance)	90.0	87.0
Local funds used as match for Older Americans Act	37.8	51.5
Local funds used as match for State programs	25.2	33.7
Local funds used as match for Medicaid and/or other	.13	.13
<b>Strategies employed to monitor locally funded services (could select all that apply):</b>		
Provider audits	43.3	55.4
Consumer satisfaction surveys	42.5	72.3
Provider certification	21.3	35.6
Unannounced home visits	17.3	23.8
Family satisfaction surveys	17.3	25.7
Other	15.7	10.9
	(n = 127)	(n = 101)

*Note.* Examples of “other” strategies include detailed budget reports, communication with clients and providers, NCOA/NISC Accreditation process, and governing board.

**Table 8. Locally-Funded Services in Rural and Non-Rural Communities**

<b>Services Provided</b>	<b>Rural Percent Yes</b>	<b>Non-Rural Percent Yes</b>
Home-delivered meals	77.2	86.1
Congregate meals	74.8	71.3
Medical transportation	61.4	59.4
Non-medical transportation	58.3	65.3
Homemaker	44.1	54.4
Personal care	33.1	48.5
Durable medical equipment	20.5	23.8
Adult day services	18.1	38.6
Emergency response system	15.0	30.7
Home repair	11.8	31.7
Adult protective services	.08	15.8
Home modification	.08	27.7
Mental/behavioral health services	.06	16.8
Other	53.5	60.4
Care management provided with local funds	28.0	48.9
	(n = 127)	(n = 101)

*Note.* Examples of “other” services provided include senior farmer's market vouchers, utility assistance, activities, and tax assistance.

**Table 9. Local Program Support for Caregivers in Rural and Non-Rural Communities**

<b>Caregiver Services</b>	<b>Rural Percent Yes</b>	<b>Non-Rural Percent Yes</b>
Program provides at least one service to family and/or friend caregivers	56.7	70.3
Services Provided (could select more than one)		
Education/Training Programs	31.5	35.6
Respite Services	27.6	45.5
Assessment of Caregiver Needs	22.8	38.6
Family or Friend Caregiver Support Groups	22.0	32.7
Programs for Family or Friend Caregivers of those with Specific Illnesses or Impairments (e.g., Parkinson's, Alzheimer's)	16.5	25.7
Counseling Programs	.09	19.8
Coaching or Care Navigation Programs	.02	20.8
Other	11.8	10.9
Reported eligibility criteria for family or friend to receive services	19.7	19.7
Interested in learning about service options to support caregivers with local funds	43.0	61.7
	<i>(n = 127)</i>	<i>(n = 101)</i>

*Note.* Examples of "other" services provided include adult day, information/referral, and application assistance.



**Table 10. Program Description Communities with Varying Levy Amounts**

Size of Initiative	Less than \$150,000	\$150,000 - \$750,000	Greater than \$750,000
Program Attributes	Percent Yes	Percent Yes	Percent Yes
<b>Minimum age criterion used for service eligibility</b>			
50-59 years	7.9	12.9	12.7
60-64 years	85.7	83.9	87.3
65+ years	6.4	3.2	0.0
<b>Eligibility and Program Management</b>			
Functional criteria (such as ADL impairment) used for service eligibility	26.2	30.2	43.7
Income criterion used for service eligibility	12.9	8.6	22.5
Payment or cost share for services may be required based on client income	32.3	35.6	49.3
Family/friend caregivers allowed to hire own aide or homemaker (i.e., consumer direction or self-direction)	1.8	3.6	11.4
Local funds used for operational or administrative expenses (such as utilities, building maintenance)	80.6	90.2	95.7
Local funds used as match for Older Americans Act	23.4	46.3	66.7
Local funds used as match for State programs	19.5	31.3	37.5
Local funds used as match for Medicaid and/or other	10.4	14.9	16.7
<b>Strategies employed to monitor locally funded services (could select all that apply):</b>			
Provider audits	31.2	53.7	69.4
Consumer satisfaction surveys	31.2	64.2	81.9
Provider certification	15.6	29.9	40.3
Unannounced home visits	11.7	23.9	27.8
Family satisfaction surveys	.09	22.4	34.7
Other	16.9	.09	16.7
	(n = 77)	(n = 67)	(n = 72)

*Note.* Examples of “other” strategies include detailed budget reports, communication with clients and providers, NCOA/NISC Accreditation process, and governing board.

**Table 11. Program Services in Communities with Varying Levy Amounts**

<b>Size of Initiative</b>	<b>Less than \$150,000</b>	<b>\$150,000 - \$750,000</b>	<b>Greater than \$750,000</b>
<b>Services Provided</b>	<b>Percent Yes</b>	<b>Percent Yes</b>	<b>Percent Yes</b>
Home-delivered meals	85.7	71.6	91.7
Congregate meals	79.2	68.7	75.0
Non-medical transportation	55.8	64.2	68.1
Medical transportation	48.1	59.7	76.4
Homemaker	23.4	56.7	75.0
Personal care	15.6	41.8	68.1
Emergency response system	13.0	14.9	41.7
Durable medical equipment	10.4	20.9	37.5
Adult day services	10.4	19.4	55.6
Adult protective services	.06	.07	.22
Home modification	.06	11.9	34.7
Mental/behavioral health services	.05	11.9	18.1
Home repair	.03	19.4	43.1
Care management provided with local funds	17.5	39.3	57.4
	(n = 77)	(n = 67)	(n = 72)

**Table 12. Support For Caregivers in Communities with Varying Levy Amounts**

<b>Size of Initiative</b>	<b>Less than \$150,000</b>	<b>\$150,000 - \$750,000</b>	<b>Greater than \$750,000</b>
<b>Caregiver Services</b>	<b>Percent Yes</b>	<b>Percent Yes</b>	<b>Percent Yes</b>
Program provides at least one service to family and/or friend caregivers	44.2	68.7	84.7
Services Provided (could select more than one)			
Education/Training Programs	22.1	31.3	50.0
Assessment of Caregiver Needs	15.6	26.9	51.4
Respite Services	14.3	38.8	59.7
Family or Friend Caregiver Support Groups	10.4	31.3	43.1
Counseling Programs	.08	.09	26.4
Programs for Family or Friend Caregivers with Specific Illnesses or Impairments (e.g., Parkinson's, Alzheimer's)	.05	19.4	40.3
Coaching or Care Navigation Programs	.03	.07	.24
Other	14.3	.07	13.9
Reported eligibility criteria for family or friend to receive services			
	20.0	16.3	21.1
Interested in learning about service options to support caregivers with local funds			
	31.7	51.9	71.2
	(n = 77)	(n = 67)	(n = 72)

*Note.* Examples of “other” services provided include adult day, information/referral, and application assistance.

# Local Initiatives to Fund Services for Older Americans: Community Recognition of the Importance of Social Care

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Athena Koumoutzis<sup>1</sup> , Sara E. Stemen<sup>1</sup> ,  
Renusha Maharjan<sup>1</sup>, Jennifer Heston-Mullins<sup>1</sup> ,  
Pamela S. Mayberry<sup>1</sup>, and Robert Applebaum<sup>1</sup>

## Abstract

Despite the growing proportion of older adults in the United States, federal and state funding for nonmedical supportive services remains limited. To meet increasing demand, some communities across the nation are exploring alternative funding sources for aging services. Although no systematic database exists to track such local programs, through an array of data sources including a national survey, telephone contacts, and a web review, we identified 15 states that are using local funding to support aging services. Communities are using a variety of local revenue streams, such as property tax levies, payroll, and sales taxes to provide services for older adults and/or their family or friend caregivers. There are considerable differences in community approaches including the following: amount of revenue generated, service eligibility criterion, type of services covered, and management infrastructure. Critical policy questions surrounding equity issues within and across states are raised as communities create these alternative funding mechanisms.

## Keywords

policy, community, home and community-based care and services, politics

## Introduction

The growth in the number of older adults in the United States is having a profound impact on social, economic, and health systems. Current estimates project that the number of older adults will increase by 30% by 2030, giving rise to concerns about the funding available to support this population (U.S. Census Bureau, 2017). Expenditures on Medicare and Medicaid continue to increase, driven both by the sheer growth in the number of older people and continually rising health care costs. In 2018, Medicare expenditures of \$605 billion accounted for 15% of the entire federal budget, with projections indicating that it will grow to 18% by the end of the decade (Centers for Medicare & Medicaid Services [CMS], 2019). Medicaid expenditures, which are used for acute and long-term services, represent the largest share of state budgets, typically ranging from 20% to 25% of total state general revenue expenditures (National Association of State Budget Officers, 2019). National expenditures of \$593 billion are projected to rise 6% per year through 2027 (CMS, 2019). However, not all funding streams that support older adults have increased.

One area of spending that has not grown is the amount of federal funding allocated to the Older Americans Act (OAA) (Congressional Research Service, 2018). Since 1965, the OAA has provided social and supportive services to people aged 60 years and older with the goal of helping them live independently in the community, rather than relying on more expensive institutional care, such as skilled nursing facilities. Critics of current spending patterns suggest that limiting expenditures on the services typically funded by the OAA actually contributes to the increasing health and institutional long-term care bill in the United States (Thomas & Applebaum, 2015).

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<sup>1</sup>Miami University, Oxford, OH, USA

### Corresponding Author:

Athena Koumoutzis, Department of Sociology and Gerontology, Miami University, Oxford, OH 45056, USA.  
Email: koumouan@MiamiOH.edu

States have attempted to respond to these concerns by dramatically expanding home and community-based services (HCBS) through Medicaid waivers that provide services such as personal care, home-delivered meals, medical transportation, and durable medical equipment. These HCBS waivers have been very successful in shifting Medicaid long-term services and support (LTSS) expenditures from nursing homes to the community (Eiken et al., 2018). Because Medicaid serves those individuals with disability and/or very low income, many older adults are excluded from this plan (Thomas & Applebaum, 2015). Therefore, some states have attempted to address this gap through the development of state-funded programs. Unfortunately, tremendous cost pressures on state budgets, including the high cost of the state match for the Medicaid program, has placed considerable constraints on most states' ability to provide additional support for aging services.

As a result, some counties and municipalities are using alternative funding strategies, such as property tax levies, to better serve older members of their communities. However, no formal database exists to keep track of such locally funded programs. Therefore, the purpose of this study was to examine how communities across the nation are utilizing local funding streams to support aging services.

## **Background**

The OAA is the primary federal program aimed at funding nonmedical supportive services to America's older adults. The bulk of OAA funding is allocated to home-delivered and congregate meals, community services, support to caregivers, health promotion, and elders' rights and protection. Recent studies have found that the availability of such services impacts long-term care utilization. For example, states with fewer supportive services have a higher proportion of low-care residents in nursing homes (Thomas & Mor, 2013). In addition, individuals who receive congregate meals have been found to be less likely to be admitted to a skilled nursing facility or hospital compared to individuals who do not receive congregate dining services (Mabli et al., 2018). Despite these demonstrated impacts, a review of OAA funding shows that the footprint of the program has been dramatically reduced over the last four decades. The 1980 OAA allocation of \$1 billion (\$3.41 billion when corrected for inflation) served a population of 35.6 million, while today's allocation of \$2.1 billion serves a 60-plus population of more than 70 million (Congressional Research Service, 2018).

An example of the importance of these services can be found in the recent Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in response to the COVID-19 pandemic. The act included almost \$1 billion for elders and individuals with disability to receive an array of support services, including \$200 million for HCBS, \$480 million for home-delivered meals, \$100 million for family caregiver support, and \$80 million to the aging and disability resource

centers (U.S. Department of Health & Human Services [DHHS], 2020). This large one-time increase in funds reinforces the gap in support that exists for social care services needed across the nation.

While Medicaid HCBS waiver expenditures for the aged and disabled topped \$25 billion in 2018, more than 90% of older Americans are not eligible for Medicaid (Eiken et al., 2018; Thomas & Applebaum, 2015). For many older people, particularly those with low and moderate income who are above the Medicaid eligibility criterion, the gap in service coverage is considerable. This problem is compounded by estimates that about 80% of older adults have at least one chronic disease (e.g., hypertension, diabetes, chronic obstructive pulmonary disease [COPD]) (Centers for Disease Control and Prevention/National Center for Health Statistics, 2015), but the health care system focuses almost exclusively on acute care. More often, older people and their families require LTSS, which are only minimally available in the current system (Aufill et al., 2019).

To meet the growing demand for non-Medicaid LTSS, states have successfully used local funding to support aging services (Payne et al., 2012). However, to date, little is known about how these alternate sources of funding are utilized across the nation.

## **Study Approach**

This study examined different strategies employed by communities seeking to fund non-Medicaid LTSS with local dollars. Specifically, we sought to identify ongoing or renewable initiatives in which funds are collected at the county, township, or city level (e.g., property tax levies, payroll tax, sales tax, and other voter-approved funding), and allocated to local programs and services that provide support to older adults and their family or friend caregivers in the community. We characterize these initiatives as "locally funded." Funding made possible by umbrella human services levies are considered locally funded; however, funds generated via philanthropic efforts and state-funded programs were not included in the study, even when the funds were allocated at a local level.

As there is no existing database of locally funded aging services programs, we used an array of sources to identify these initiatives, including the following: a 2019 ADvancing States national survey of State Units on Aging (SUAs) asking about locally funded HCBS programs; direct telephone contacts with State Units on Aging, Area Agencies on Aging (AAAs), secretary of state's offices, county clerk's offices, and other officials involved in local funding efforts; and a web search for locally funded services, local levies, or ballot issues. This data collection process resulted in the identification of 15 states that utilize local funding streams to provide supportive services for older adults and/or their family or friend caregivers. While it is possible that other states do have local funds being generated for aging services, our review of all 50 states found only these 15 where local

**Table 1.** Identified States and Local Funding Streams.

State	Number of local regions	Type of funding
California	1	Voter-approved charter amendment
Illinois	30	Property tax levies
Kansas	42	Property tax levies
Kentucky	3	Payroll tax levies
Louisiana	28	Property tax levies
Michigan	66	Property tax levies
Missouri	55	Property tax levies and sales tax levies
Montana	6	Property tax levies
Nevada	6	Property tax levies
North Dakota	52	Property tax levies
Ohio	74	Property tax levies and one sales tax levy
South Carolina	3	Property tax levies
Washington	1	Property tax levy
West Virginia	7	Property tax levies
Wyoming	6	Property tax levies

funding could be confirmed. Table 1 illustrates the identified states, the number of local regions (i.e., cities, counties, or townships) within the state collecting local funds, and the type of tax used to generate local revenue.

Our search revealed that property tax levies are the most common source of local funding. Thirteen states have such levies at the county level, and three of these also have levies at the township level. Some of the property tax levies have been in existence since the 1970s, while others have been recently enacted. Some levy initiatives are included in state statutes and can continue indefinitely without voter-approved renewal unless an increase is sought. Other states require that levies be renewed periodically, typically every 3–5 years. In addition to property tax levies, other local funding streams were also identified. For example, Ohio and Missouri have sales tax funding in a small number of local regions. Kentucky has counties using voter-approved payroll tax levies. In California, voters in San Francisco recently approved a charter amendment specifying that city general funds be appropriated for services to older people.

Though the majority of locally funded initiatives target older people as service recipients, some initiatives are broader in their scope of who is eligible to receive supportive services. For example, the California program also serves adults living with disabilities and veterans through their initiative. Similarly, the Washington program in Seattle includes services for veterans and individuals who are homeless in addition to services for older adults. Some counties in Kentucky also use their funding to support mental health services and programs for individuals who are living with intellectual and developmental disabilities.

Although each of the 15 states utilize local funds, the amount of dollars generated and the means by which such funds are collected and distributed varies. In some cases, funds are distributed by an organization with the responsibility to only distribute the funds but not to provide services. In other cases, funds are allocated to an organization that provides services but can also contract with other agencies to provide services. Organizations tasked with only the distribution of local funds typically include county clerk's offices, county auditor's offices, community development offices, county fiscal courts, and senior services tax fund boards (i.e., volunteer boards appointed by county commissioners). Organizations responsible for service provision (sometimes contracting with other agencies to provide supportive services) include senior centers, councils on aging, county commissions on aging, community action agencies, and area agencies on aging.

Organizations responsible for allocation of funds but not providing services generally receive applications for funding from aging services providers in their county annually. Typically, funds are used for home-delivered meals, transportation, homemaking/personal care, and preventive health services. Some counties use a handful of providers, while others use a large number of providers. Much of this difference in allocation approach can be attributed to the amount of funds generated, the size of the county, and the aging services network in that county.

The amount of local funds differs dramatically both within and across states. For example, in Ohio, metropolitan counties like Hamilton (Cincinnati) and Franklin (Columbus) generate very large amounts of money for senior services tax levies (\$30–40 million dollars annually), whereas some nonmetropolitan Ohio counties generate less than \$50,000 annually (Muttillio, 2018). In some states, smaller counties were identified with levies generating as little as \$16,000 per year.

State rules regarding the funds that property tax levies may generate also vary. Several state statutes limit the millage or tax rate to a specified amount (.5–2.0). The millage rate is the size of tax levied based on the value of the property (per \$1,000 in assessed value). Missouri's voter-approved Hancock Amendment of 1980 limits taxing based on a ratio of total state revenues and personal income of citizens (Kevin-Myers & Hembree, 2012). Nevada allows counties with a population of less than 100,000 to propose a tax levy for specific community facilities and services, including services for senior citizens (Nevada Revised Statutes, § 377A.020). North Dakota provides matching funds from the state to counties with senior levies. The match is 87.5% of the total dollar amount of the levy up to 1 million (North Dakota Century Code, § 57-15-56). Finally, in some communities, programs reported using the locally generated funds as a source of match for OAA funding.



## Policy Implications

National health expenditures increased 4.6% in 2018 to \$3.6 trillion and are expected to reach \$6.2 trillion by 2028 (CMS, 2019). The amount spent on older adults has increased as well. For those aged 65 years and older, the cost of health care spending was \$19,098 per person in 2014 (CMS, 2019). However, unlike the majority of the world's economically developed countries, the United States spends a very small proportion of our public expenditures on social supports for older adults (Squires & Anderson, 2015). This becomes particularly salient when reviewing public expenditures for older people living with disability. Our major public program support for older adults in need of LTSS is Medicaid, but fewer than 10% of the older population is eligible for this program (Thomas & Applebaum, 2015). Unfortunately, older people who become Medicaid recipients do so when their health and long-term services needs become so large that they have essentially become impoverished. Our current public system spends large amounts of money *after* a person has a serious health incident or requires long-term services, and efforts to increase the efficiency of Medicare and Medicaid have been the dominant policy strategy (Congressional Research Service, 2018; Eiken et al., 2018). Critics have consistently argued that these programs fail to allocate resources to preventive or supportive services (Thomas & Applebaum, 2015). Despite the tremendous growth of the older adult population, the one federal program designed to provide preventive and supportive services, the OAA, has been cut in real dollars, except for the recent CARES response to COVID-19 with a one-time funding allocation (Congressional Research Service, 2018; DHHS, 2020).

Although there is much to be learned about the structure and operations of these locally funded initiatives, their existence does generate a number of important policy questions for consideration. Similar to concerns about local funding for education, do these levies create inequities? Does this approach provide even more resources to affluent regions, widening the disparity between high- and low-resourced counties across a state? Similarly, will such an approach contribute to even wider service gaps across states? Since states have the option of funding state-only programs now, one could hypothesize that local funding opportunities could actually increase state disparities, since local communities seem to be more amenable to local funding than many state officials. Although proponents of locally generated funds recognize this concern, they argue that the federal and state funding gap for LTSS is so pronounced that it is critical that alternative sources of revenue be identified.

An additional concern about local funding is that communities will simply change allocation priorities. As an example, in one of the very large levy counties, there was discussion about the local United Way shifting its allocation

away from aging services under the assumption that the local levy program was generating adequate revenues. A related but additional issue of concern involved efforts to channel levy dollars for political purposes. In one community, an issue was raised about local commissioners routing local tax dollars to a specific agency without a transparent process.

On a larger scale, some have suggested that a widespread expansion of local funding would get the federal government "off the hook" in terms of addressing the serious challenge of funding LTSS. They argue that if a critical mass of communities turns to local funding options, then the federal government will ignore the problem, resulting in more inequities within and across states. This long-standing debate about whether the federal, state, or local governments should take the lead on delivering services to vulnerable populations has been commonplace throughout social welfare history. Local officials have indicated that while such debates continue on, there are people in need of assistance that are not getting the necessary support, and that is the critical issue that needs to be addressed.

Questions about equity across communities are important to consider, but there is evidence that suggests local funding initiatives may be good politics. A review of the levy experience in Ohio for example, found a 98% passage rate of tax levies across six elections, with no differences between red and blue counties across the state (Applebaum & Goldstein, 2019). Although we are still assessing political success through a follow-up survey, our initial telephone contacts indicate that these locally supported programs achieve high levels of political support at the community level. As the population ages, and as states and the federal government continue to debate the type and level of resources that should be made available to an aging population, it seems likely that local funding will continue to grow in importance. As such, it is vital that we have a better understanding of how such initiatives work and that we fully consider the accompanying opportunities and challenges.

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## ORCID iDs

Athena Koumoutzis  <https://orcid.org/0000-0002-0263-6294>

Sara E. Stemen  <https://orcid.org/0000-0002-8811-7830>

Jennifer Heston-Mullins  <https://orcid.org/0000-0002-8465-8584>

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**Promising Practices and Emerging Innovations**

# **Local Initiatives to Fund Services for Older Americans: A Growing Option for States**

Robert Applebaum, PhD, and Jennifer Heston-Mullins, PhD, LISW  
Scripps Gerontology Center, Miami University





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## About This Report

This report describes promising and emerging innovations on the use of alternative funding strategies, such as local property tax levies, to address the growing need for programs to better serve older adults. It examines how communities in three different states are utilizing local funding streams to support services for older adults. These states have instituted levy-supported initiatives to supplement services, including home-delivered and congregate meals, personal care and homemaker services, home repair support, medical and nonmedical transportation, and emergency response systems, for older adults. These promising and emerging innovations can help people with long-term services and supports needs continue to live in their own homes and communities.

This report is part of a series of promising practices and emerging innovations from the *2020 LTSS State Scorecard*.<sup>\*</sup> This report was produced with support from AARP Foundation, The SCAN Foundation, and The Commonwealth Fund, and a grant from the RRF Foundation for Aging. Parts of this research supported by the RRF Foundation for Aging are also described in a forthcoming article by the authors titled “Local Initiatives to Fund Services for Older Americans: Community Recognition of the Importance of Social Care,” appearing in the *Journal of Applied Gerontology* and referenced in this report.

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<sup>\*</sup> Susan C. Reinhard et al., *Advancing Action. A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers* (Washington, DC: AARP Public Policy Institute, September 2020).

## Introduction

A growing older population is an indicator of societal progress, resulting in many benefits to individuals and families. The greater longevity that our nation celebrates and increased proportion of older adults in the United States are, however, coupled with an array of new challenges. Medicare and Medicaid spending continue to increase dramatically, driven both by the sheer growth in the number of older adults and continually rising health care costs. In 2018, Medicare expenditures of \$605 billion accounted for 15 percent of the entire federal budget, with projected 18 percent growth by the end of the decade.<sup>1,2</sup> Medicaid expenditures, which cover acute and long-term services and supports (LTSS) in addition to medical and health care, represent the largest share of state budgets, typically ranging from 20 to 25 percent of their total general revenue expenditures.<sup>3</sup> National expenditures of \$593 billion are projected to rise 6 percent per year through 2027.<sup>4</sup>

One area of spending that has not grown is the amount of federal funding allocated to the Older Americans Act (OAA).<sup>5</sup> Since 1965, the OAA has provided social and supportive services to people ages 60 and older with the goal of helping them live independently in the community, rather than relying on more expensive institutional care, such as nursing homes.<sup>6</sup> Critics of current spending

patterns suggest that limiting expenditures on services typically funded by the OAA actually contributes to the rising health and institutional long-term care bill in the United States.<sup>7</sup>

States have attempted to respond to these concerns by dramatically expanding home- and community-based services (HCBS) through Medicaid waivers that provide services such as personal care, home-delivered meals, transportation, and adult day care. (Medicaid waivers, for which states can apply, allow states to waive certain Medicaid program requirements or target specific services to consumers seeking LTSS in home- and community-based settings.) These HCBS-enabling waivers have been very successful in shifting Medicaid LTSS expenditures from nursing homes to the community.<sup>8</sup> However, because Medicaid serves only those individuals with the highest levels of disability and very low income, most older adults are actually excluded from this program.<sup>9</sup> Some states have attempted to address this gap through the development of state-funded programs, but tremendous cost pressures on state budgets, including the high cost of the state match for Medicaid programs, has placed considerable constraints on most states' ability to provide additional support for aging services.

- 1 Juliette Cubanski, Tricia Neuman, and Meredith Freed, "The Facts on Medicare Spending and Financing," Issue Brief, Kaiser Family Foundation, Washington, DC, 2019, <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>.
- 2 "Trustees Report and Trust Funds," Centers for Medicare & Medicaid Services (CMS), December 17, 2019, <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index>.
- 3 National Association of State Budget Officers, *2019 State Expenditure Report: Fiscal Years 2017–2019 Data* (Washington, DC: National Association of State Budget Officers, 2019).
- 4 "Trustees Report and Trust Funds," CMS.
- 5 Congressional Research Service (CRS), *Older Americans Act: Overview and Funding*, CRS report prepared for members of Congress, Washington DC, 2018.
- 6 Kathleen Ujvari et al., *Older Americans Act* (Washington, DC: AARP Public Policy Institute, February 2019), <https://www.aarp.org/content/dam/aarp/ppi/2019/02/older-americans-act.pdf>.
- 7 Kali S. Thomas and Robert. Applebaum, "Long-Term Services and Supports (LTSS): A Growing Challenge for an Aging America," *Public Policy and Aging Report* 25 (2015): 56–62.
- 8 Steve Eiken et al., "Medicaid Expenditures for Long-Term Services and Supports in FY 2016," IBM Watson Health, Cambridge, MA, 2018, <https://www.medicare.gov/medicaid/long-term-services-supports/reports-evaluations/index.html>.
- 9 Thomas and Applebaum, "Long-Term Services and Supports."

One response to this limitation has been local county and municipal efforts to generate alternative funding strategies, such as property tax levies, to support programs to better serve older adults. This promising and emerging innovations report examines how communities in three separate states are utilizing local funding

streams to support community-based services for older adults. First, however, this report sets the stage for those examples by providing further background on the problem that the local funding solution addresses, as well as details on how local funding works and its level of penetration around the country.

## Shrinking Funding for Support Services

The bulk of funding for OAA, as the primary federal program funding nonmedical supportive services to America's older adults, is allocated to home-delivered and congregate meals, community-based services, family caregiver support, health promotion, and rights and protection for older adults. Recent studies have found that the supply of such services impacts long-term care utilization. For example, states with fewer supportive services (e.g., meals and personal assistance) were found to have a higher proportion of low-care residents in nursing homes.<sup>10</sup> A recent study of individuals receiving congregate meals found that such individuals were less likely to be admitted into nursing homes or be admitted to the hospital compared with older adults who did not participate

in congregate meals.<sup>11</sup> Despite these demonstrated impacts, a review of OAA funding shows that the footprint of the program has been dramatically reduced over the past four decades. The 1980 OAA allocation of \$1 billion—\$3.41 billion when adjusted for inflation—served a population of 35.6 million, while today's allocation of \$2.1 billion serves an age 60-plus population of more than 70 million.<sup>12</sup>

Although Medicaid HCBS waiver expenditures for older adults and people with disabilities topped \$25 billion in 2018, more than 90 percent of older Americans are not eligible for Medicaid.<sup>13,14</sup> For many older people, particularly those with low or moderate income and with moderate levels of disability, who do not meet Medicaid eligibility criterion, the gap in LTSS coverage is considerable.

## Local Funding as an Option

To meet the growing demand for non-Medicaid LTSS, some states have successfully used local funding to support aging services.<sup>15,16</sup> Under

locally financed programs, funds are collected at the county, township, or city level (e.g., property tax levies, payroll tax, sales tax, and other voter-

10 Kali S. Thomas and Vincent Mor, "The Relationship between Older Americans Act Title III State Expenditures and Prevalence of Low-Care Nursing Home Residents," *Health Services Research* 8, no. 3 (2013): 1215–26, <https://doi.org/10.1111/1475-6773.12015>.

11 James Mabli et al., "Evaluation of the Effect of the Older Americans Act Title III-C Nutrition Services Program on Participants' Health Care Utilization," Mathematic Policy Research, Cambridge, MA, 2018, <https://www.mathematica.org/our-publications-and-findings/publications/2018-evaluation-of-the-effect-of-the-older-americans-act-title-iii-c-nutrition-services-program>.

12 CRS, *Older Americans Act*.

13 Eiken et al., "Medicaid Expenditures for Long-Term Services and Supports."

14 Thomas and Applebaum, "Long-Term Services and Supports."

15 Michael Payne et al., *Locally Funded Services for the Older Population: A Description of Senior-Service Property-Tax Levies in Ohio* (Oxford, OH: Scripps Gerontology Center, Miami University, 2012).

16 Athena Koumoutzis et al., "Local Initiatives to Fund Services for Older Americans: Community Recognition of the Importance of Social Care," *Journal of Applied Gerontology*, advance online publication, July 27, 2020, <https://doi.org/10.1177/0733464820944325>.



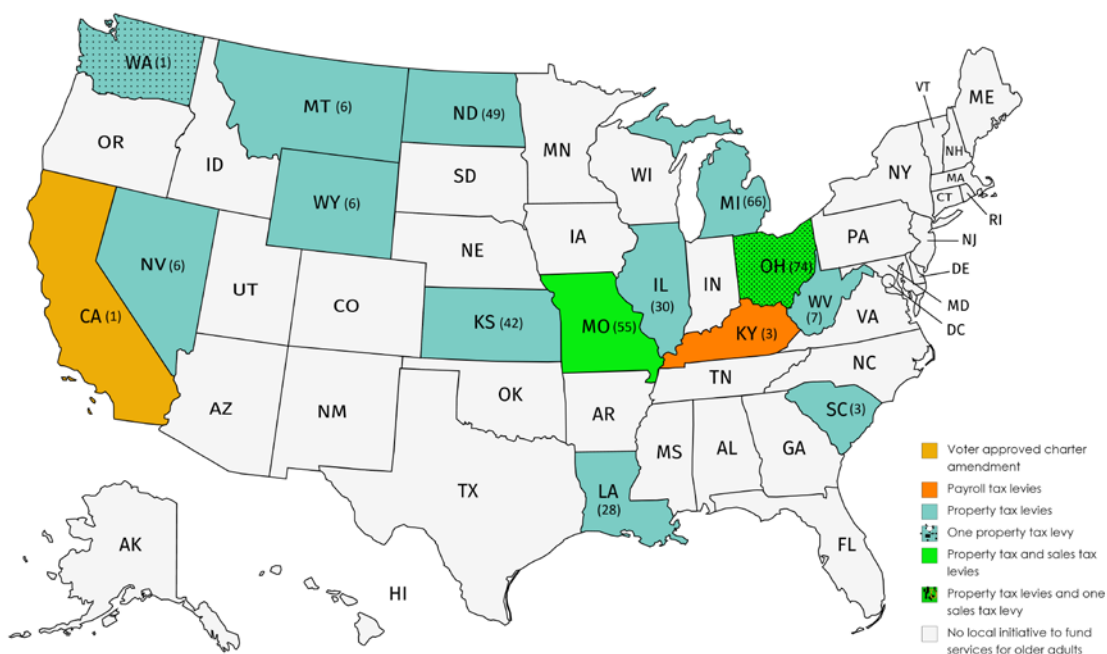
approved funding), and allocated to local services that provide support to older adults and their *family caregivers* (a term that includes close friends) in the community. Since no database of locally funded aging-service programs exists, information was obtained using an array of sources to identify such initiatives, including

- 1) ADvancing States, 2019 National Survey of State Units on Aging (SUA), which included questions about locally funded HCBS programs;
- 2) Direct telephone contacts with SUA and locally funded programs, including area agencies on aging (AAAs) and county aging organizations, secretary of state offices, county clerk offices, and other officials involved in local funding efforts; and
- 3) A web search for locally funded services, local levies, or ballot issues, in addition to a web search of locally funded programs.

Our data collection process resulted in the identification of 380 communities in 15 states using local funding streams to provide supportive services for older adults and/or their family caregivers. The map in exhibit 1 highlights the states, number of local regions (i.e., cities, counties, or townships) within the state collecting local funds, and the type of tax used to generate local revenue.

Research revealed that property tax levies are the most common source of local funding. Thirteen states have levies at the county level, three of which also have levies at the township level. Some of the property tax levies have existed since the 1970s, while others have been recently enacted. Some levy initiatives are included in state statute and can continue indefinitely without voter-approved renewal unless an increase is sought; other states require levies to be renewed periodically, typically every

**EXHIBIT 1**  
**Number of Local Regions in States and Type of Funding Initiatives to Support Aging Services Programs Older Adults**



Source: Athena Koumoutzis et al., “Local Initiatives to Fund Services for Older Americans: Community Recognition of the Importance of Social Care,” *Journal of Applied Gerontology*, advance online publication, July 27, 2020, <https://doi.org/10.1177/0733464820944325>.

three to five years. In addition to property tax levies, other local funding streams were also identified. For example, Ohio and Missouri have sales tax funding in a small number of local regions. Some Kentucky counties use voter-approved payroll tax levies. In California, voters in San Francisco recently approved a charter amendment specifying that city general funds be appropriated for services that support older adults.

While the majority of locally funded initiatives target services for older adults, some are broader in their scope. For example, California's initiative includes supportive programs for adults with disabilities and veterans. The Seattle, Washington, program includes services for veterans and individuals who are homeless in addition to services for older adults. Alternative funding strategies in Kentucky that fund services for older adults simultaneously support mental health services and programs for individuals who are living with intellectual disabilities and developmental disabilities.

Although each of the 15 states utilize local funding, the amount generated and means by which funds are collected and distributed varies. In some cases, funds are distributed by an organization with responsibility solely limited to disbursing funds and not to providing services. In other cases, funds are allocated to an organization that not only provides services but also can contract with other agencies to provide services. Organizations tasked with only distributing local funds typically include county clerk's offices, county auditor's offices,

community development offices, county fiscal courts, and senior services tax fund boards (i.e., volunteer boards appointed by county commissioners). Organizations responsible for service provision (sometimes contracting with other agencies to provide supportive services) include senior centers, the local Council on Aging, the county Commission on Aging, community action agencies, and AAAs.

The amount of local funds differs dramatically among states and within states. For example, in Ohio, metropolitan counties like Hamilton (where Cincinnati resides) and Franklin (Columbus) generate large amounts of money from senior services tax levies (\$30–40 million annually), whereas some nonmetropolitan Ohio counties generate less than \$50,000 annually.<sup>17</sup>

State rules regarding the funds that property tax levies may generate also vary. Several state statutes limit the millage or tax rate to a specified amount (0.5–2.0). The millage rate is the size of tax levied based on the value of the property (per \$1,000 in assessed value). The Missouri voter-approved Hancock Amendment of 1980 limits taxing based on a ratio of total state revenues and personal income of citizens.<sup>18</sup> Nevada allows counties with a population of less than 100,000 to propose a tax levy for specific community facilities and services, including services for senior citizens.<sup>19</sup> North Dakota provides matching funds from the state to counties with senior levies. The match is 87.5 percent of the total dollar amount of the levy up to one mill per \$1,000.<sup>20</sup>

17 Emily Muttillio, "Should Your Address Determine Access to Aging Services? An Analysis of Senior Tax Levies in Ohio," The Center for Community Solutions Working Paper, Cleveland, OH, 2018.

18 Bridget Kevin-Meyers and Russ Hembree, "The Hancock Amendment: Missouri's Tax Limitation Measure," Report 17-2012, Missouri Legislative Academy, Institute of Public Policy, University of Missouri, Columbia, MO, 2012.

19 Nevada Revised Statutes § 377A.020. (2015)

20 North Dakota Century Code § 57-15-56. (2015)



## Promising and Innovative Practices in Three States

As mentioned, local funding approaches vary widely both among states and within states. To provide more detailed information about the approaches used in states generating local funds, the authors have identified three states for an in-depth review: Ohio, Montana, and North Dakota. These states represent differences in approach, program size and scope, structure, target population, and services. Each state has a unique historical context and culture that has influenced program design. Regardless of such background, however, each state has demonstrated a local commitment to providing support to older people in their communities.



### OHIO LEVY PROGRAMS OFFER AN ARRAY OF IN-HOME SUPPORTIVE SERVICES

Ohio is a populous state with nearly 2 million people ages 65 and older in 2018, ranking it sixth in the nation for size of older-adult population.<sup>21,22</sup> The state has one of the largest HCBS Medicaid waiver programs in the nation but no state-funded home care program. With less than 10 percent of older people in the state found to be eligible for the Medicaid program, efforts to create a funding source to support older adults with lower to moderate incomes and moderate levels of disability have gained popular support across the state. As such, Ohio has one of the most extensive locally financed set of programs to support older people in their homes in the nation, with 74 of its 88 counties generating local funds for aging-service programs.

Ohio localities have passed levy programs typically at the county level, although select cities and townships have also supported programs. As noted earlier, there are significant differences across the state on size, scope, type of services covered, administrative oversight, eligibility, and program philosophy. For example, in 2016, about 20 percent of Ohio levy programs generated \$250,000 or less annually, while another 20 percent had annual budgets of \$12 million or greater.<sup>23</sup> An earlier study found the size of programs as measured by per-capita annual funding also varied dramatically, ranging from \$10 to \$225 per person ages 60 or older.<sup>24</sup>

Programs typically offer an array of in-home supportive services, such as home-delivered meals, personal care and homemaking, transportation, and emergency response systems. A number of programs also include home repair and chore services. Other programs report offering supplemental services, ranging from support for congregate meal sites and health screenings to administrative support for senior centers and legal services. All of the programs report using age 60 or 65 as an eligibility criterion. Most include some

***Ohio has one of the most extensive community-supported programs serving older people in their homes in the nation.***

21 US Census Bureau, *Projected 5-Year Age Groups and Sex Composition: Main Projections Series for the United States, 2017-2060* (Washington, DC: United States Department of Commerce, Census Bureau, 2018).

22 “2019 Profile of Older Americans,” Administration for Community Living (ACL), 2020, <https://acl.gov/aging-and-disability-in-america/data-and-research/profile-older-americans>.

23 Muttillio, “Should Your Address Determine Access to Aging Services?”

24 Payne et al., *Locally Funded Services for the Older Population*.

### Local Advocate Sparks a Solution

Local funding in Ohio can be traced to the late 1970s, when Lois Dale Brown, approaching retirement herself, asked Clermont County commissioners about support for the construction of a senior center and funds for ongoing services for older adults. The commissioners were supportive of the proposal but were unable to provide financial assistance for the project due to budget limitations. Ms. Brown asked if local funding through a property tax levy was possible, but was told that use of property tax funds required legislative approval.

Ms. Brown wasn't finished. She spent the next two years lobbying state legislators to change the law on how property taxes could be used. Her campaign resulted in Ohio changing its law, and in 1982, Ms. Brown led a successful levy campaign in Clermont County. Today, Ohio generates almost \$200 million in local funds to support aging services—quite a legacy of Ms. Brown's work some four decades ago.

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Source: Payne et al., *Locally Funded Services [for?] the Older Population: A Description of Senior-Service Property-Tax Levies in Ohio* (Oxford, OH: Scripps Gerontology Center, Miami University, 2012).

type of disability eligibility criteria, but there is wide variation on this component, with some programs having very limited requirements and others using a more stringent approach. Many programs also include a sliding-scale financial eligibility criterion for services and a cost-sharing option. Care management is provided in about half of the programs.

Levy-supported initiatives in Ohio require the support of local voters. Every three to five years, local voters in many of the communities have established volunteer campaigns to support these initiatives. Most of the counties reported using media ads, yard signs, and public forums to publicize their levies.

Local programs require community political support, and varying strategies to achieve such support have been used across the state. Tailoring campaigns to their local community has been a common theme. For example, a conservative county in southwestern Ohio that had experienced long-standing resistance to passing property tax levies of any kind was able to recruit a former Cincinnati Reds baseball player—turned—

local sportscaster to chair the levy campaign and, ultimately, achieve great success.

Overall, aging-service levy programs across the state have enjoyed considerable success at the ballot box. A review of the aging-service levies statewide over the past six elections found a 98 percent passage rate.<sup>25</sup> In spite of the regular public discourse concerning red and blue states and communities, this analysis found no differences in passage rates across counties based on the proportion of registered Democrat or Republican voters.

While Ohio's levy programs have been able to provide substantial resources to assist individuals in efforts to remain in their homes and communities, the strategy is not without criticism. Some have argued that the property tax as a revenue source is regressive and places unfair pressure on lower- and moderate-income individuals. Also, there is concern that this approach reinforces inequities across communities, with wealthier counties having more resources to allocate to local programs. Some have also expressed concerns that local funds, such as those generated by United Way

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25 Robert Applebaum and Chelsea Goldstein, "Local Supports for Aging Services: An Island of Progress in a Sea of Uncertainty," *Generations* 6 (2019): 20-5.

or county and city general tax expenditures, are being reallocated to other groups in need, suggesting that levy funds are not always adding net new funds for aging services. Finally, some critics have suggested that local efforts get state and federal governments off the hook for developing a national or statewide solution. Proponents have countered these arguments by saying that communities have local needs and waiting for the state or federal governments to solve this problem could be a long time away—communities implementing such programs are attempting to address the needs of people today.

It is clear that Ohio is fully invested in using local funds to supplement services to older adults in the state, as the size and scope of locally supported programs continues to grow.



### MONTANA COMMUNITY EFFORTS PLAY A KEY ROLE IN CONTINUED SUPPORT FOR LOCAL TAX LEVY PROGRAMS

While the actual number of individuals ages 65 and older in Montana (200,000 in 2018) is fairly low compared with other states, older people make up nearly 20 percent of the state's population.<sup>26</sup> In 1971, the Montana state legislature enacted a statute for “creation of funds for recreational and other activities of elderly by local governments.”<sup>27</sup> Our work identified property tax levies funding services for older adults in 6 of the 56 counties in Montana, ranging from 2 mills to 5.39 mills.<sup>28</sup> In fiscal year 2017, senior mill levies across Montana generated \$5.2 million, a significant increase from amounts generated in the three previous fiscal years, 2014 (\$3.1 million), 2015 (\$3.3 million), and 2016 (\$3.2 million).<sup>29</sup>

Unlike Ohio, senior service levies in Montana are considered perpetual, with state law not requiring voter re-approval unless a community seeks to increase or remove the millage amount.

In Montana, levy funds collected by county governments are distributed to AAAs and Council on Aging organizations, which then provide services through their network organizations and, in some cases, further distribute funds to senior centers and other partnership agencies. According to our survey, Montana levy funds are most frequently utilized to provide home-delivered and congregate meals, medical and nonmedical transportation, emergency response systems, and homemaker services. Services reported less frequently include adult day services, mental and behavioral health services, durable medical equipment, money management services, nutritional supplements, farmers market coupons, and home repair. One county reported that its long-term care ombudsman program is supported by levy funds.

Yellowstone and Missoula counties, the two most populous in the state, have also used levy funding to support an Aging and Disability Resource Center; a Medicare & Medicaid Resource Center; senior volunteer programs; road trips; and health and physical activities such as exercise classes, walking clubs, and nutrition education programs.<sup>30</sup> Because federal and state funds do not fully cover the cost of the Montana country programs, and availability of those funds varies year to year, providers view levy funds as a stabilizing resource. Additionally, the discretionary status of levy funds allows providers flexibility in using the money where it is most needed among their programs, as federal and state funding is often strictly dedicated to specific services.

26 “2019 Profile of Older Americans,” ACL.

27 Montana Code Annotated § 7-16-101. (2019)

28 Scripps Gerontology Center, *Enhancing Caring Communities: Final Report to the RRF Foundation for Aging* (Oxford, OH: Scripps Gerontology Center, Miami University, forthcoming 2021).

29 Montana Department of Revenue, *Biennial Report: July 1, 2016–June 30, 2018*, Helena, MT : Montana Department of Revenue, (2018), <https://mtrevenue.gov/publications/biennial-reports/>.

30 Scripps Gerontology Center, *Enhancing Caring Communities*.

Even though Montana has traditionally been politically conservative, these levy-supported programs have been popular with voters. For example, in Yellowstone County, which has one of the oldest senior levy programs in the state, a 2006 millage increase passed with overwhelming public support (77.7 percent), and in 2016, voters again approved a millage increase with 74.2 percent voting for the program.<sup>31</sup> The Yellowstone Elder Services Ballot Initiative Committee, formed to garner support for the 2016 initiative, utilized community volunteers to raise funds to support its campaign. Despite a small media budget, committee volunteers raised awareness of the levy and successfully engaged local citizens by going door-to-door and making phone calls. Providers in Yellowstone County credit a great working relationship with the County Board of Commissioners as one of the factors in the success of their senior programming. Across the state, strong support and dedicated efforts from the local community have played a key role in continued support for these locally supported programs.



#### **NORTH DAKOTA MATCHES FUNDS UP TO ONE MILLAGE TO SUPPORT SENIOR SERVICE PROGRAMS**

North Dakota also has a comparatively small population of citizens ages 65 and older (117,000 in 2018), but, unlike Montana, it has a low proportion of older adults in comparison with other states.<sup>32</sup>

North Dakota shares another commonality with Montana, however, in that it enacted its Senior Citizens Mill Levy in the early 1970s. The law

currently allows counties or cities to authorize up to two mills for the purpose of supporting programs and services for older adults. Today, 49 of the 53 counties in North Dakota utilize mill levies to fund senior services, although not all of these counties levy the full amount allowed by state statute. In 2018, 10 counties levied the maximum two mills, 9 counties levied more than one but less than two mills, 23 levied one mill, and 7 levied less than one mill.<sup>33</sup>

A unique feature of the North Dakota legislation is that the law provides matching funds for the amounts levied by counties and cities up to one mill. Counties are able to request up to the equivalent of one additional mill through approval of a majority of county commissioners; however, the state match applies only to the first mill. Counties receiving a state match must submit a request for this funding annually and must submit a report at the end of each year.<sup>34</sup> The Office of the State Treasurer is responsible for distribution of these funds to the county auditors. Total funding revenue raised for senior services through county mill levies in 2018 was \$4.8 million with a state match of \$3.9 million.<sup>35</sup>

The most common levy-funded services reported by providers across North Dakota are home-delivered and congregate meals and transportation (medical and nonmedical), followed by personal care and homemaker services. A few counties also reported funding services for adult day care, home modification and repair, durable medical equipment, emergency response systems, mental and behavioral health services, adult protective services, health maintenance services,

31 Yellowstone County Finance Department, *Senior Levy History and Funding/Ballot Measures Summary*, provided by Kevan Bryan, Director of Finance & Budget, January 2020.

32 “2019 Profile of Older Americans,” ACL.

33 North Dakota Office of the State Tax Commissioner, “Senior Citizen Services Matching Grant Calculations—FY2018,” Internal Report to the Office of State Treasurer, unpublished.

34 North Dakota Century Code § 57-15-56. (2015)

35 Ibid.

senior center maintenance, foot care, outreach, options counseling, and ombudsman services.<sup>36</sup>

Senior mill levies in North Dakota require approval from the county commissioners for establishing, removing, or increasing the levy by more than one mill. To qualify to receive mill levy funding at the local level, the recipient agency must be incorporated as a not-for-profit organization in North Dakota, have a contract with the taxing authority (or its taxing authority), and file an annual report of services and expenses generated from the mill levy.<sup>37</sup>

Distribution of funds generated from property tax levies varies by county and region. For example, Valley Senior Services located in Cass County (the most populous county in the state) receives levy funds directly from the Cass County Auditor in addition to Council on Aging organizations in five other counties in its region. Valley Senior Services uses funding to provide nutrition services, transportation, and resource staff who function similarly to case managers, across all six counties. Valley Senior Services staff also serve in an advisory capacity to the governing boards of the Council on Aging organizations across the region and assist them with various administrative activities, such as budget approval and financial record keeping. Council on Aging organizations use the balance of levy funds to support senior clubs (senior centers) through assistance with utilities, rent, facility maintenance and upkeep, and small-scale services and event expenses.

The original intent of North Dakota's mill levy match program was to provide a dollar-for-dollar match to the county or city levy; however, the match is based on the availability of funds appropriated by the state legislature and has

fluctuated over the years. The first mill levy match amount, passed by the state legislature in 1985, was \$0.84 on the dollar, and after the 1989 legislative session, the appropriation for mill levy funds was entirely eliminated. It was restored a few years later, largely through the efforts of an advocacy group comprising older-adult volunteers called the Silver Haired Assembly in conjunction with the North Dakota Senior Services Project Directors Association, now known as The North Dakota Senior Service Providers (NDSSP). The NDSSP is a statewide membership organization comprising agencies that provide services to older adults in North Dakota through Title III of the OAA, the use of senior mill levy funds, or public transit dollars. It has been highly active in engaging legislators around the issue of the mill levy match for decades, despite multiple setbacks. By 1995, the mill levy match rate had dropped to \$0.38, but members of the NDSSP remained committed to their vision of a dollar-for-dollar match, continuing to lobby legislators and successfully securing incremental gains over the years.<sup>38</sup>

In 2015, legislative language was modified to provide matching for "senior citizen programs equal to 87.5 percent of the amount *appropriated* [emphasis added] for such programs up to an amount equal to the levy of up to one mill."<sup>39</sup> This change made it possible for counties that have levied no mills for older-adult services, or less than the one mill required for state match, to still qualify for the match if they appropriate all or part of the equivalent of a mill from other county funds and can certify that the money was utilized specifically for older-adult services and programs.

36 Scripps Gerontology Center, *Enhancing Caring Communities*.

37 North Dakota Century Code § 57-15-56. (2015)

38 "A History and Review of Accomplishments," North Dakota Senior Service Providers, n.d., accessed July 16, 2020, <http://www.ndseniorservices.org/history.htm>.

39 "Property Taxes History: 2015 Session," North Dakota Office of the State Tax Commissioner, n.d., accessed July 16, 2020, <https://www.nd.gov/tax/tax-resources/laws--regulations/tax-history/property-taxes>.



## Policy Implications

National health care expenditures increased 4.6 percent in 2018 to \$3.6 trillion and are expected to reach \$6.2 trillion by 2028.<sup>40</sup> The amount spent on older adults has increased as well. For those ages 65 years and older, the average cost of health care spending was \$19,098 per person in 2014.<sup>41</sup> However, unlike the majority of the world's economically developed countries, the United States spends a very small proportion of its public expenditures on social supports.<sup>42</sup> This becomes particularly salient when reviewing public expenditures for older people experiencing disability. The major public program support for older adults in need of LTSS is Medicaid, but fewer than 10 percent of the older population is eligible for this program.<sup>43</sup> Many older people who become Medicaid recipients do so only once their spending on their health and long-term care needs essentially impoverishes them.

Our current public system spends large amounts of money *after* a person has a serious health incident or requires long-term care, and efforts to increase the efficiency of Medicare and Medicaid have been the dominant policy strategy.<sup>44,45</sup> Critics have consistently argued that these programs fail to allocate resources to preventative or supportive services.<sup>46</sup> Despite the tremendous growth of the older population, the one federal program designed to provide preventative and supportive services, the OAA, has been cut in

real dollars, with the exception of a one-time funding allocation provided through the recent Coronavirus Aid, Relief, and Economic Security (CARES) Act.<sup>47,48</sup>

Although there is much to be learned about the structure and operations of these locally funded initiatives, their existence does generate a number of important policy questions for consideration. Similar to concerns about local funding for education, do these levies create inequities? Does this approach provide even more resources to affluent regions, thus widening the disparity between higher- and lower-resourced counties across a state? Similarly, will such an approach contribute to even wider service gaps across states? Since states have the option of funding state-only programs now, one could hypothesize that local funding opportunities could actually increase state disparities, as local communities seem to be more amenable to local funding than many state officials. While proponents of locally generated funds recognize this concern, they argue that the federal and state funding gap for LTSS is so pronounced that it is critical that alternative and multiple sources of revenue be identified.

On a larger scale, some have suggested that a widespread expansion of local funding would get the federal government off the hook in terms of addressing the serious challenge of funding LTSS.

40 "Trustees Report and Trust Funds," CMS.

41 "Trustees Report and Trust Funds," CMS.

42 David Squires and Chloe Anderson, "US Health Care from a Global Perspective Spending, Use of Services, Prices, and Health in 13 Countries," Commonwealth Fund, New York, NY, 2015.

43 Thomas and Applebaum, "Long-Term Services and Supports."

44 CRS, *Older Americans Act*.

45 Eiken et al., "Medicaid Expenditures for Long-Term Services and Supports."

46 Thomas and Applebaum, "Long-Term Services and Supports."

47 CRS, *Older Americans Act*.

48 US Department of Health & Human Services, "HHS Announces Nearly \$1 billion in CARES Act Grants to Support Older Adults and People with Disabilities in the Community during the COVID-19 Emergency," Press Release, April 21, 2020, <https://www.hhs.gov/about/news/2020/04/21/hhs-announces-nearly-1-billion-cares-act-grants-support-older-adults-people-with-disabilities-community-during-covid-19-emergency.html>.

They argue that if a critical mass of communities turns to local funding options, the federal government will ignore the problem, resulting in more inequities within and across states. This long-standing debate about whether federal, state, or local governments should take the lead on delivering services to vulnerable populations has been commonplace throughout social welfare history. Local officials have indicated that, while such debates continue, there are people in need of assistance who are not getting the necessary support, and that is the critical, immediate issue at hand.

Questions about equity across communities are important to consider, but evidence suggests local funding initiatives may be good politics. Our work suggests that these locally supported programs achieve high levels of political support at the community level. As the population ages, and as states and the federal government continue to debate the type and level of resources that should be made available to an aging population, it seems likely that local funding will continue to grow in importance. As such, it is vital that states and the federal government have a better understanding of how such initiatives work and that we as a nation fully consider the accompanying opportunities and challenges, they present.







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