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Promising Practices and Emerging Innovations

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

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Table of Contents

LIST OF EXHIBITS

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*.* 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.

* 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, couples 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.[1,2] 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.[3] National expenditures of $593 billion are projected to rise 6 percent per year through 2027.[4]

One area of spending that has not grown is the amount of federal funding allocated to the Older Americans Act (OAA).[5] 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.[6] 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.[7]

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.[8] 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.[9] 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.medicaid.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.[10] 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.[11] 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.[12]

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.[13,14] 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.[15,16] 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

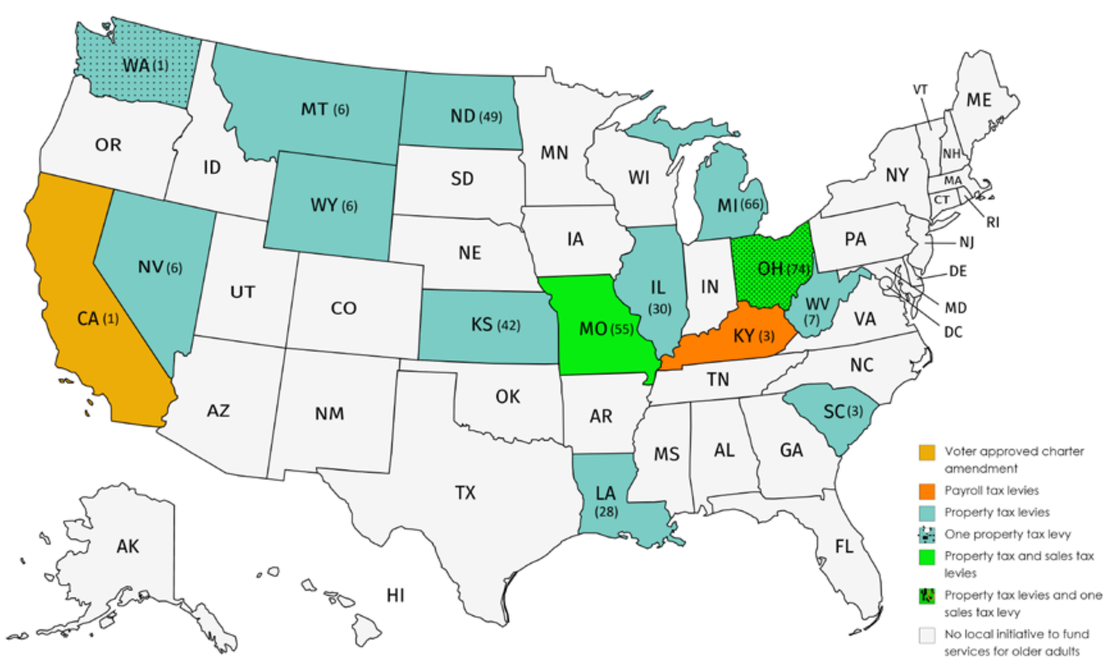
3) A web search for locally funded services, local levies, or ballot issues, in addition to a web search of locally funded programs.

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.[17]

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.[18] 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.[19] 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.[20]

17 Emily Muttillo, "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.[21,22] 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.[23] 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.[24]

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 Muttillo, "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.

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.[25] 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

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.[26] In 1971, the Montana state legislature enacted a statute for "creation of funds for recreational and other activities of elderly by local governments."[27] 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.[28] 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).[29]

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.[30] 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.[31] 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.[32]

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.[33]

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.[34] 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.[35]

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.[36]

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.[37]

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.[38]

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."[39] 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.

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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.[40] 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.[41] 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.[42] 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.[43] 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.[44,45] Critics have consistently argued that these programs fail to allocate resources to preventative or supportive services.[46] 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.[47,48]

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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