

June 8, 2006

To: LCOG Executive Committee

From: Kay Metzger

Subject: Proposed Area Plan Budget for 2006-07

Background:

As a Type B-2 Transfer Area Agency on Aging (AAA), Senior & Disabled Services receives funding from both the State of Oregon and the Federal Government for a variety of programs. Regarding the funding from the Federal Government for the Older Americans Act programs (OAA), the State of Oregon first receives a state-wide allocation. The Oregon Department of Human Services, Seniors and People with Disabilities Office (SPD) then allocates a portion to each local AAA. In the fall of every year, SPD distributes planning allocations to the AAAs to allow them to begin the process of meeting with Advisory Councils and Boards, holding public hearings, and updating Area Plans. In the spring of the following year, final OAA allocations are released. In the past, the final OAA allocations have not been significantly different than the planning allocations. However, that is not the case in 2006.

S&DS was anticipating a reduction in the 2006-07 Older Americans Act allocation of approximately one percent. However, the revised version represents much deeper cuts for most programs than we were expecting. For example, the Congregate Meals and the Meals on Wheels (IIIC-1 and IIIC-2) allocations are a combined \$56,382 (9%) less than what we planned for. The III B allocation, which funds Senior Connections, Senior Law, Money Management, Elder Help, Escort and the Long Term Care Ombudsman program, has been reduced by \$26,139, or 6.29 percent. On the other hand, the Family Caregiver Program (III E) allocation sees an increase of \$15,367. S&DS staff have inquired why the cuts are deeper than anticipated. State of Oregon staff explained that several issues have converged to produce the reduction, including the elimination of a growth factor that had been

included in past years. As a prudent steward of public dollars, S&DS has begun the difficult process of revising the 2006-07 Area Plan to implement the necessary budget cuts.

Process:

The process for revising the 2006-07 Area Plan budget involves four steps.

- 1) On Thursday May 18, 2006 S&DS staff met with the Planning and Budget Committee of the Senior and Disability Services Advisory Councils. At the meeting, staff reviewed three potential options for implementation of the budget cuts. Committee members were also invited to offer additional ideas. After a lengthy discussion and many questions from the members, the Planning and Budget Committee unanimously agreed upon a proposal that distributed the reductions evenly within programs funded by the same source, while maintaining the infra-structure of Older Americans Act service delivery in Lane County. In brief, the recommended option includes the following:
 - A 9% reduction in OAA Administration costs;
 - A 3.14% reduction to all services funded through Title IIIB;
 - A 7% total reduction to congregate and home delivered meals programs (IIIC-1, IIIC-2).
- 2) The Senior Services Advisory Council will meet on Tuesday June 13, 2006 to review the information and make a recommendation to the LCOG Executive Committee.
- 3) On Thursday June 15, 2006 the LCOG Executive Committee will consider the recommendation of the Senior Services Advisory Council. **A handout will be available at the meeting describing the recommended action.**
- 4) Upon approval from the LCOG Board, S&DS will submit the revised Area Plan budget to the Seniors and People with Disabilities Office.

Requested Action:

It is recommended that the LCOG Executive Committee approve the 2006-07 Area Plan budget revision as submitted by the Senior Services Advisory Council.