

FROM	NAME & TITLE	Laura Larsen, Budget Director	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	City Council Bill 22-0254 – Office of Aging – Independent Agency		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

January 27, 2023

Position: Oppose

The Department of Finance is herein reporting on City Council Bill 22-0254, Office of Aging – Independent Agency, the purpose of which is to establish an Office of Aging and Commission on Aging. The Office will be responsible for coordinating programs and services for older adults, develop a citywide plan for services for older adults, administer and facilitate various federal and State programs, as well as other duties. The Commission on Aging will be charged with assisting the Office and other City agencies and offices in coordinating services and opportunities for older adults.

Background

The Commission on Aging and Retirement Education (CARE) was established by City ordinance in 1973 with the intent of developing and coordinating activities for older adults, their families, and caregivers. Services and programming include senior centers, meal programs, support in obtaining benefits and services, and case management. CARE is designated as the Area Agency on Aging (AAA) for Baltimore City, as mandated by the Older Americans Act. Through this designation, CARE administers Federal funds that support the coordination and delivery services for older adults.

CARE operated as an independent office until Fiscal 2011 when it was merged into the Baltimore City Health Department (BCHD), which provided CARE with additional fiscal support, especially considering the large amount of grant funding received. As a result of this merger, CARE was split into five separate services to reflect the various aspects of the work: Administration-CARE (Service 722), Senior Centers (Service 721), Advocacy and Supportive Care for Seniors (Service 723), Assistive and Directive Care for Seniors (Service 724), and Senior Education (Service 725). In Fiscal 2023, Service 722: Administration-CARE, was consolidated with Service 715: Administration-Health.

It should be noted that various agencies provide services and programs to older adults across the City, including BCHD, Baltimore City Recreation and Parks, Department of Housing and Community Development, and Department of Public Works. The Bureau of the Budget and Management Research published a [report](#) in 2015 that outlined all of the services provided by these agencies at the time, including the specific services, eligibility criteria, and funding sources. Based on the programs referenced in the legislation, the sponsors' public comments, and the agencies that were referred the bill, Finance has interpreted the bill to be focused on BCHD programming and has developed the bill report under that assumption.

This legislation would establish an independent Office of Aging, which would be responsible for developing, coordinating, and maintaining a comprehensive system of care for older adults, as well as administer the programs and activities delegated to the City under the Older Americans Act and the Federal Commodity Supplemental Food Program. In addition, the legislation repeals CARE and establishes the Commission on Aging, which is different from CARE in that there is no executive director, but the Commission is tasked with working with the Office.

Fiscal Impact

The Department of Finance anticipates a fiscal cost of \$2.75 million in General Fund support in personnel and matching grant costs to establish the Office of Aging.

Expense	Cost
Personnel	\$ 947,534
Matching Grants	\$ 1,805,969
Total	\$ 2,753,503

Finance anticipates that current operational staff and costs, such as facilities and equipment, in the Services identified above would be transferred to the Office from BCHD, with a total budget of \$12.9 million across all funds, which would be budget neutral. However, based on discussions with BCHD, Finance has identified several positions that could not be transferred since these positions provide support across the entire agency and must be created as separate positions within the Office, requiring additional funding. These include a Director and administrative staff such as external affairs, facility, fiscal, human resources, legal, and information and technology personnel. Due to the nature of the Office in terms of oversight of facilities, engagement with various stakeholders, and extensive grant funding, these positions would be vital to operations. Based on these staffing needs, Finance anticipates personnel costs of at least \$947,534, as outlined in the table below.

Position	Total Cost
Director	\$ 177,794
Fiscal Officer	\$ 91,119
Grants Manager	\$ 75,926
Human Resources	\$ 91,119
External Affairs	\$ 130,561
Facilities Manager	\$ 96,368
IT Support	\$ 137,625
Legal Counsel	\$ 147,022
Total	\$ 947,534

In addition to these personnel costs, there are matching grant costs that would need to be budgeted. The City is able to leverage \$5.7 million in Federal and State grant funds with \$1.8 million in local matching funding. This does not include almost \$446,916 for nearly \$4 million in Older Americans Act ARPA grants that will expire in 2026. Local match funding for these grants is currently supported by revenue from Medicaid-based programming completed by BCHD’s clinical health services. Transitioning these grants to the Office would require General Fund support to fill the gap as the revenue-generating programming would remain within BCHD due to requirements that they be administered by the local health department.

Other Considerations

There are several factors the City Council should consider when reviewing this legislation.

First, CARE was merged into BCHD to provide administrative and fiscal support to ensure efficient and effective operations, thereby providing efficient and effective services and programming for older adults. Maintaining these Services in BCHD would provide continued fiscal and administrative support and may result in benefits from efforts within the agency to improve grants management.

Second, this legislation would require State authorization as the designation for the AAA would need to be changed. BCHD's Division of Aging and Care Services is currently designated as the AAA. Therefore, the Maryland Department of Aging would need to authorize the designation of the Office as the AAA. In 2011, when CARE merged with BCHD, the City went through a formal process to receive written permission from the State, which would need to occur for this legislation to take effect.

Third, Counties across Maryland have actually moved independent Departments of Aging into health and human services agencies, including Cecil, Prince George's, Queen Anne's, and St. Mary's Counties. Howard County explored establishing a Department of Aging in 2015, but maintained its Office on Aging and Independence in the Department of Community Resources and Services.

Finally, other City agencies provide services and programs that support older adults, including Baltimore City Recreation and Parks recreation programming and the Department of Housing and Community Development housing rehabilitation programs. Based on how this legislation is written and public discussions about the bill, it is unclear whether these programs would also be merged into the Office. If so, Finance could provide an updated fiscal impact analysis.

Conclusion

The Department of Finance supports the intent of this legislation to ensure efficient and effective services and programs to support older adults and their families and caregivers. However, Finance is concerned about the impact this legislation as written may have on the services currently provided by moving programs to an independent Office of Aging. CARE was consolidated with BCHD to ensure administrative and fiscal support of these programs, as well as coordinating the work of the two agencies. In addition, establishing an independent Office would require State authorization to designate the Office as the Area Agency on Aging and does not align with actions by Counties across the State to move equivalent offices into health and human services agencies. Finally, Finance estimates that creating an independent Office of Aging will cost the City an estimated \$2.75 million.

For the reasons stated above, the Department of Finance opposes City Council Bill 22-0254.

cc: Michael Moiseyev
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