

The Great Recession Hits Our Network

By Ruthann Dobek, MCOA Legislative Chair

The economic downturn of the last few years has had an impact on Council on Aging (COA) services. There is an old adage that in tough economic times, social services see their funding cut and their referrals increase. This is certainly true for the COAs in 2010. Referrals and requests for basic services such as fuel assistance, SNAP (food stamps), and prescription drug questions all increased in the wake of reduced staff and senior center hours. The Commonwealth's COA network works with the frailest and most vulnerable members of our communities. We provide a critical safety net for our older citizens but this recession has placed this network in jeopardy.

“Our budget is so small, any more cuts, we would be closed.”

Councils on Aging are primarily funded through their municipality. Local aid reductions combined with increased demands placed on school, police, and fire budgets have forced many communities to significantly reduce funding to local COAs. Directors have had to make tough decisions in order to keep critical services viable.

This January, MCOA conducted a survey of its members to determine the impact of this recession. Our survey found that almost half of the COAs (44%) have had to endure significant cuts from the year before; others were level-funded and a few communities received a modest increase in the COA budget. There is no pattern to these funding reductions. Large cities and small towns have all felt the impact of this poor economy. Even at level-funding, many COAs still had to reduce services and staff, and leave vital positions unfilled because of the impact of increased costs in other budget areas, such as heating costs, fuel for van(s), and health insurance premiums.

“Thank God for the formula grant; it means we can keep our head above water- even if it is barely....”

All this makes the need for stable and increased formula grant funding significant. The formula grant funds such essential services as outreach, transportation, health and wellness programs and staff (e.g., volunteer coordinators). The \$7.00/elder/YEAR is an extremely cost effective way to fund elder services. The money goes directly to the community and is spent in a manner that best meets the needs of the community. It is an essential piece of the elder safety net. We are very grateful that at present the formula grant remains level-funded by House 2 –the Governor's FY11 Proposal; but we await the House and Senate versions. (Editor's Note: The House 2 proposal was \$500,000 less than FY10 GAA, and equals the final FY10 allocation after the January 2010 round of 9c cuts. This 6% cut eliminated the Service Incentive Grants, competitive grants for innovation, but maintains the Formula Grant -Local Aid-at \$7/elder/YEAR.)

“They are preparing us that next year will be worse....”

Many COAs report they are bracing for still more cuts in FY2011. Projected local aid reductions as well as the impact of increased fuel and health plan costs will drive local budgets deeper into the red. Several COAs report that an additional 5% cut could be anticipated.

Some state leaders predict that revenues might not recover until FY14, and we expect 'recession fatigue' to set in over the next few years, further exacerbating the situation. Yet despite this, Councils on Aging remain deeply committed to doing all they can to ensure that elders remain independent and active in their communities. They know that the recession will eventually end, and services must be in place for the coming "boomer" cohort.