March 7, 2014

n4a’s ANALYSIS OF THE PRESIDENT’S FY 2015 BUDGET PROPOSAL

This week, President Obama sent a $3.9 trillion FY 2015 budget request to Congress, thus beginning the annual process of setting spending levels for all discretionary federal programs. The President’s budget often acts as a starting point for congressional budget discussions.

Given the budget caps and sequestration levels still in law for FY 2015 and beyond, it is no surprise that there were winners and losers in the White House’s budget. Most of the President’s budget reflects the bipartisan budget deal struck last December. However, he is recommending a “Growth, Opportunity and Security Initiative” which is essentially a wish list of items that if funded, would boost overall spending above the budget agreement. A list of revenue sources that could be tapped to pay for these special investments accompanies this wish list, however.

n4a examined the President’s budget with special attention given to programs that help older adults remain in their homes and communities. The following analysis focuses on key programs that serve older Americans and their caregivers, and is accompanied by n4a’s detailed appropriations chart.

Administration for Community Living (ACL), HHS

As we know too well, the definition of what a “budget win” looks like has changed dramatically in recent years. The good news is that ACL—and within that agency, the Administration on Aging (AoA)—emerged relatively unscathed from the President’s budget development process, securing level funding in all of its core programs.

Over the past few years, with the passage of several streams of mandatory funding in the Affordable Care Act and other changes, ACL’s budget has evolved from one almost exclusively based upon “discretionary spending” to one with several line items funded in part or fully through mandatory spending. n4a’s chart draws the distinction and the following program updates are divided accordingly.

Discretionary Funding

**Holding Steady:**
All of the core OAA programs in Titles III, VI and VII were level funded at final FY 2014 levels. As frustrating as this is to advocates who know these programs are already stretched so thin yet
seeing increased demand, it reflects the new budget reality where “level funding is the new increase.” *n4a will be working diligently with our members this spring and summer to educate appropriators about the harms that level, sequestered and budget-capped funding is doing to local aging infrastructure and our members’ ability to serve vulnerable older adults and caregivers.*

**Move It…and Lose It?**

For the fourth year in a row, the Administration proposes to move the only title of OAA not administered by AoA: the **Title V Senior Community Service Employment Program (SCSEP).** Currently run by the Department of Labor, SCSEP would move to AoA under this proposal, an action which would require legislative action (i.e., amending the OAA) by Congress.

Unfortunately, in addition to the agency move, **SCSEP would suffer a major cut in funding** for FY 2015 if the President’s spending recommendation is adopted by congressional appropriators. The budget suggests a $54 million cut to the job training and community service program for low-income seniors, which represents approximately 12 percent of SCSEP’s current funding of $434 million. **While n4a is supportive of such a move of SCSEP to AoA, we are very concerned about the effect such a significant cut would have on the low-income workers who depend on SCSEP as a key element of their fragile economic security. The depth of this cut could also reduce the Aging Network’s workforce, as many SCSEP participants work providing OAA and other aging services in their communities.**

**Funding Gains:**

For the fourth year in a row, the Administration has requested new money for **Adult Protective Services (APS),** which is representative of Assistant Secretary on Aging Kathy Greenlee’s vision for expanding the elder rights work of ACL and the Aging Network. In FY 2014, the Administration requested $8 million for elder justice activities beyond those in OAA, but this year, the ask is much bigger: $25 million for an **Elder Justice Initiative.**

This **Elder Justice Initiative,** which would be administered by ACL, would provide a total of $25 million in FY 2015 for:

- continued work on an Adult Protective Services National Data System and technical assistance;
- demonstration grants to states to strengthen front-line efforts to combat this serious problem by testing new models and reinforce existing reporting infrastructures for incidents of abuse, neglect and exploitation;
- evaluation activities; and
- advancement of a coordinated federal research strategy to fill the gaps in knowledge and fund initial research in high-priority areas.

*n4a has long supported the Elder Justice Act and, since its passage, has pushed for first-time funding; in FY 2015, we will be using the President’s excellent recommendation as a starting point for our appropriations advocacy on Capitol Hill.*

Also contained in the President’s budget is a request to Congress for $3 million to support a **2015 White House Conference on Aging.** Yesterday, n4a CEO Sandy Markwood attended a meeting convened by White House and key Administration leaders to discuss this possible event—and what it would look like in a new era.

**Mandatory Funding**

Mandatory spending is on the “other side of the ledger” from the appropriated, or discretionary, funding our annual budget analysis usually addresses. It flows automatically as needed, based on the
laws Congress has crafted, until they change that law. Medicare, Medicaid and Social Security are funded examples of programs largely based on mandatory funding.

Five years ago, advocacy efforts led by n4a and NASUAD led to the first major influx of mandatory funds to then-AoA, for further development and expansion of Aging and Disability Resource Centers (ADRC). This provision, which provided $50 million over 5 years, was contained in the Affordable Care Act (ACA) and expires this year.

The President’s budget proposes an extension and expansion of those ADRC dollars, with $100 million over 5 years to be provided from mandatory funding sources. This funding would need to be secured outside of the appropriations process and would require a major advocacy effort to ensure passage. *n4a is pleased that ACL continues to invest in the No Wrong Door/ADRC networks and systems being developed around the country, and will be developing our advocacy strategy options in 2014 to boost the federal funding available for these vital access points for long-term services and supports.*

Also created within ACA is the Prevention and Public Health Fund (PPFH), which provided a major new source of mandatory funding for activities devoted to boosting public health and using proven prevention strategies to reduce Americans’ rates of illness and disability. What is unique about the PPFH, however, is that while the funding is set statutorily by ACA, the determination on which programs it will be spent on in any given year is up to Congress. So appropriators don’t have to “find” the money, but they do get to divvy it up, which is slightly different than regular appropriations. If Congress fails to decide upon PPFH allocations, then the Secretary of HHS has authority to do so, which has happened in recent years when Congress did not pass a final (non-CR) spending bill.

Two examples of former AoA Title II demonstrations that later secured mandatory funding is the Chronic Disease Self-Management Program (CDSMP), which received $8 million of PPFH resources for FY 2014, and Elder Falls Prevention, which received $5 million from PPFH to ACL in FY 2014. For FY 2015, the President has recommended continuation of both levels, which is a strong recommendation to continue these PPFH allocations. *n4a worked with other advocacy groups to secure these first-time PPFH resources for falls prevention programs at ACL, and will continue to press Congress to make these PPFH allocations again in FY 2015.*

Another PPFH program included in the President’s budget is the Alzheimer’s Initiative, which was launched last year. The Initiative provides funding to ACL in two ways: $10.5 million for caregiver services and $4.2 million for a public awareness campaign on the disease.

**Other HHS Programs**

The Community Services Block Grant would be reduced by $324 million in the President’s budget, down to $350 million, which is the same as last year’s recommendation.

The Low-Income Home Energy Assistance Program (LIHEAP) would receive $624 million less than Congress provided for FY 2014. This is an even lower request than the President made for FY 2014.

The Social Services Block Grant (SSBG) was level funded at $1.7 billion.
Housing and Urban Development (HUD)

Livable Communities

n4a has long supported the multiagency Partnership for Sustainable Communities, an Obama Administration initiative that integrates resources and expertise from HUD, DOT and the EPA.

In the FY 2015 budget, a new Office of Economic Resiliency (OER) is created within HUD that essentially takes over the role the Partnership played. The OER would focus on job creation, as well as infrastructure development to support affordable access to jobs, to attract job-generating businesses and workers, and to fuel diversified economies that create middle-class jobs. The trade-offs in this new line up are reportedly less emphasis on community planning and development within HUD, but retention of HUD technical assistance and leadership on these broader issues. As n4a has reported, Congress has not been forthcoming with regular funding for this sustainable communities work, so HUD has been stretched to keep the mission alive. There is a chance of $75 million in grant funds focused on community planning as it pertains to job creation and economic growth—but that funding stream is based in the President’s “Growth, Opportunity and Security Initiative” and so not highly likely to be funded by appropriators.

Housing

The President’s budget provides a total of $440 million for the Housing for the Elderly (Section 202) and $160 million for Housing for Persons with Disabilities programs (Section 811), which would be a boost in spending for both programs (increases of $56 million and $34 million, respectively). The Section 202 funding level includes $350 million for existing operating subsidy contracts, $70 million for housing service coordinators, and $20 million for new awards to supportive housing models that coordinate with HCBS.

Senior Corps

Based upon the President’s budget, Senior Corps as we collectively know it would cease to exist. At the Corporation for National and Community Service (CNCS), the three programs under the Senior Corps umbrella—Retired and Senior Volunteer Program (RSVP), the Foster Grandparent Program (FGP) and the Senior Companion Program (SCP)—have been relocated to other areas of CNCS.

FGP and SCP would be maintained as two separate programs but run under the umbrella of Americorps, which adds some new value in that participants will have access to new educational benefits.

Unfortunately, RSVP would lose a significant amount of funding. The highest-performing RSVP programs could access roughly a third of current RSVP funding via the Volunteer Generation Fund, which focuses on strengthening the ability of organizations to recruit, retain, and manage volunteers. CNCS has released an FAQ on these Senior Corps changes. (See especially questions #5-10.)

What Happens Next?

The President’s budget reflects both the government agency requests and the Administration’s political and policy agenda. The President’s budget is the first step in a complex process to determine government spending for FY 2015.
In the coming weeks, Congress will hold hearings on the President’s recommendations. Traditionally, a formal budget resolution is then prepared by each chamber. A congressional budget resolution sets the total level of spending authority and revenues, with specific allocations to each major budget category. This non-binding plan, if adopted, then guides the appropriations committees, as well as tax and finance panels, for the rest of the year.

However, last December’s budget deal already did some of the work of a budget resolution, in that it established the “top line” (i.e., overall) spending level for FY 2015 appropriations. The House may still move to produce a budget resolution in order to promote their spending priorities, but it is unlikely that the Senate will follow suit. That will not hold up the process, however, as long as both chambers adhere to the overall spending threshold and move ahead with their parallel appropriations processes.

In late spring and through the summer, the House and Senate Appropriations Subcommittees of jurisdiction make the specific programmatic determinations for each discretionary line item (e.g., a specific program such as OAA Title III B). This takes several months to move through committee, and larger or more contentious bills can take all summer or fall before being passed. Like all other legislation, the House and Senate must agree on appropriations bills. Achieving agreement further lengthens the process. Although appropriations bills are supposed to be finalized by October 1, this deadline is usually missed.

However, the President’s recommendations can be used effectively (for or against) by advocates as we begin our FY 2015 appropriations campaign and continue our fight to stop sequestration. Here’s what’s coming soon:

- **n4a’s 2014 Policy Priorities**, which detail our positions on the most pressing policy issues of the day, will be released later this spring. All n4a members will receive a copy via mail after its release at the Aging Policy Briefing on April 28.

- Shortly thereafter, **n4a’s FY 2015 appropriations campaign** will begin anew, so stay tuned for what you can do to push for maximum funding for Older Americans Act and other vital discretionary programs.

Stay tuned for more updates from n4a, and meanwhile….

**Come to DC!** n4a’s [Aging Policy Briefing](#) will be held on Capitol Hill, April 28-29, and we need your participation.

n4a’s [special rate at our host hotel](#) expires on March 25 and the block may even be filled before then. We are about to announce some excellent speakers, so don’t delay. Register Now!

→ If you have questions about this [Legislative Update](#), please contact n4a’s Public Policy and Advocacy staff, Amy Gotwals, 202.872.0888 or [agotwals@n4a.org](mailto:agotwals@n4a.org).