



State of Illinois
Pat Quinn, Governor
Department on Aging
Charles D. Johnson, Director

Illinois Department on Aging



Fiscal Year 2010 Enacted Budget

August 10, 2009

State of Illinois

Where We Stood in March 2009

The Situation

- Historic economic challenges
- Declining revenues
- Increased spending pressures

The Result

- An \$11.6 billion deficit, and a state that can't pay its bills on time

The Reality

- Balancing the budget solely through deep cuts will hurt our citizens and further damage our economy
- Shared sacrifice

Governor Quinn's Fiscal Year 2010 Introduced Budget Blueprint

In these tough economic times, we must chart a fiscally responsible course for Illinois while creating jobs and protecting families.

Governor Quinn's Budget Priorities:

- **Reform** – Make State Government honest, ethical and transparent; reform the State Pension Systems; and make the tax system fair for working families.
- **Responsibility** – Close the budget gap but protect Illinois' children and families; preserve our commitment to education; reduce the Medicaid payment cycle; and increase health care for veterans.
- **Recovery** – Jump-start Illinois' economy with a comprehensive jobs plan that will build new schools; repair our aging roads and bridges; improve mass transit; create "green" jobs; and maximize the Federal recovery money Illinois receives.

State of Illinois: What Caused Current Budget Crisis?

- **Historic recession caused substantial drop in FY09 revenues**
- **Result:**
 - Estimated \$3.9 billion backlog in unpaid bills at end of FY09.
 - FY10 revenues inadequate to meet state's responsibilities.
- **Governor Quinn's March 18th budget proposal included modest revenue increase,**
 - Funded vital services, and trimmed more than \$1 billion in spending
- **General Assembly rejected Governor's budget plan**
 - Passed budget bills on May 31st, leaving substantial spending shortfall.

State of Illinois: July 15 Enacted Budget

- Governor's revised budget includes an additional \$1 billion in cuts, and calls for layoffs and 12 furlough days for state employees.
- Borrows \$3.4 billion to make FY10 pension payments.
- Appropriates lump sums instead of specific line items for grants and programs, which includes \$3.4 billion in unallocated funds.
 - \$2.2 billion designated for human services, and
 - \$1.2 billion undesignated

State of Illinois FY 2010 Budget: Deeply Under funded

- **Governor's Revised Budget**
 - **\$29.5 billion**
- **Governor's spending plan after \$1 billion in cuts and pension adjustments**
 - **\$27.5 billion**
- **Total spending authority in July 15th budget plan**
 - **\$26.1 billion**

\$1.4 billion in Unmet Needs

- **Does not include funds to pay down an estimated \$3.9 billion backlog in unpaid FY09 bills**
- **Long payment cycle harms private agencies, small businesses**

State of Illinois

Governor's FY10 Enacted Budget Allocation Principles

- Provide court-order services.*
- Preserve programs required by federal government.
- Maximize state programs reimbursed or matched by federal funds.
- To extent possible, provide programs required by state statute.
- Support programs that meet basic health, life, and safety needs.
- Reduce demands on higher-cost programs by investing in less costly prevention and intervention services.

* The Department was allocated \$342.0 million to cover FY10 projected expenditures for the Community Care Program from the Governor's discretionary authority under P.A. 096-0042, Article 77. The Community Care Program is backed by the Benson v. Blaser Consent Decree which eliminated the wait list and made CCP an entitlement program. It is the Department's largest program and the only one of its kind that is subject to this Consent Decree.

Illinois Department on Aging



Fiscal Year 2010 Agency Budget Highlights

Agency Budget Highlights

- The General Funds appropriation totals \$655.7 million, which is an increase of \$117.1 million, or 21.8% from the FY09 enacted budget for the Department on Aging.
- Direct Federal funds comprise \$80.5 million, or 8% of the FY10 Introduced Budget.
- Illinois also receives over \$100 million in Federal Financial Participation for services provided to Medicaid enrolled clients in the Community Care Program (CCP), which is approximately 27% of the total CCP spending.
- The Department has a current headcount of 160 positions.

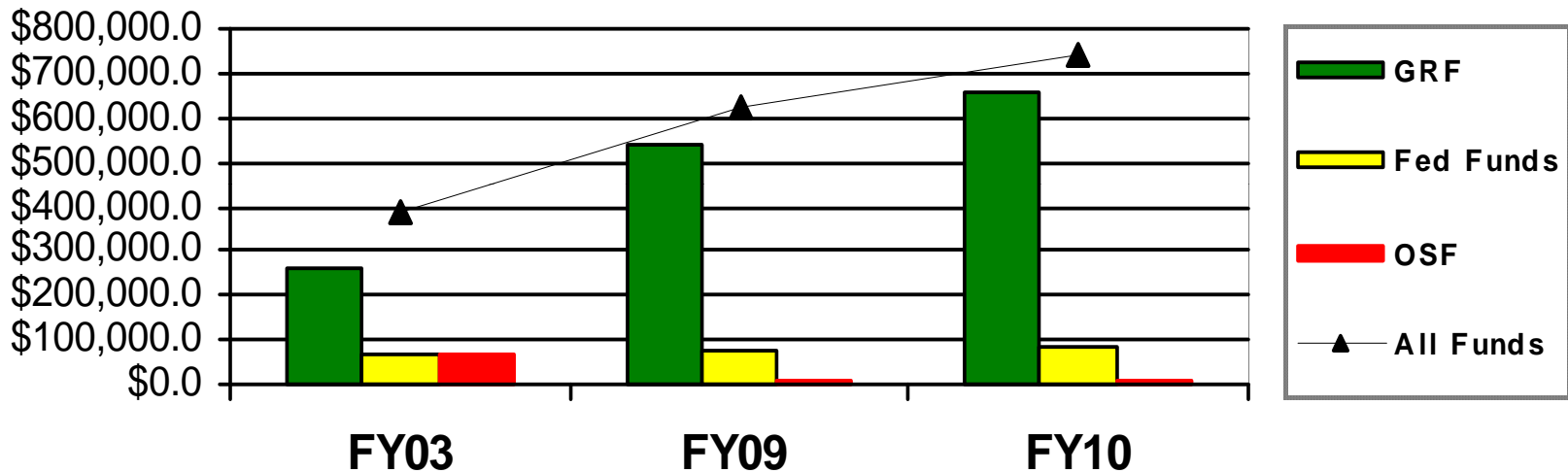


FY10 GRF Budget Action by the General Assembly & Gov. Quinn: by Major Category

<i>GRF Budget Summary (\$ in 000's)</i>	FY09	FY10	FY10	FY10	FY10	FY10/09	FY10/09
	Approp	Introduced Budget	G.A. Budget Allocation by IDOA	Gov. Quinn's Discretionary Funding per Art. 77 of P.A. 96-0042 & Cuts	Gov/IDOA Allocation	\$ Diff.	% Diff.
Personal Services & Related	\$4,018.3	\$6,234.0	\$5,639.1	(\$541.1)	\$5,098.0	\$1,079.7	26.9%
Other Agency Operations	\$781.4	\$2,100.9	\$2,100.9	\$0.0	\$2,100.9	\$1,319.5	168.9%
Grants & Lump Sums	\$533,736.2	\$694,646.7	\$306,473.5	\$342,000.0	\$648,473.9	\$114,737.7	21.5%
Total GRF	\$538,535.9	\$702,981.6	\$314,213.5	\$341,458.9	\$655,672.8	\$117,136.9	21.8%

Agency Appropriations Summary

(\$ in 000's)



	FY03	FY09 Enacted (with Gov. Veto & Override)	FY10 Enacted	\$ change FY10 over FY09	% change FY10 over FY09
All Funds	\$389,211.7	\$622,202.9	\$744,631.4	\$122,428.5	19.7%
General Revenue	257,000.4	538,535.9	655,672.8	117,136.9	21.8%
Direct Federal Funds	67,456.8	74,531.1	80,522.7	5,991.6	8.0%
Other State Funds	64,754.5	9,135.9	8,435.9	(700.0)	(7.6%)

Illinois Department on Aging



**Fiscal Year 2010
Highlights by
Programmatic Areas**

Community Care Services

- The FY10 Enacted Budget includes:
- \$533 million to administer Community Care services, which is an increase of approximately \$139.6 million or 33.8 percent over the FY09 appropriation.
- The Community Care Program FY10 budget is based on an average monthly caseload of approximately 59,000.

Comprehensive Care Coordination

- Instituted in FY07, under Comprehensive Care Coordination, clients' holistic needs are assessed using a comprehensive assessment instrument to help older adults access supportive services regardless of the funding source.
- This system improves coordination between the federal Older Americans Act Title III funded services and the state funded Community Care Program.
- The Fiscal Year 2010 introduced budget includes \$40.9 million for Comprehensive Care Coordination, which is a decrease of \$2.5 million, or -5.9% from the FY09 appropriation.



Money Follows the Person (MFP) & the Human Services Framework Projects

- **Money Follows the Person Demonstration Award**

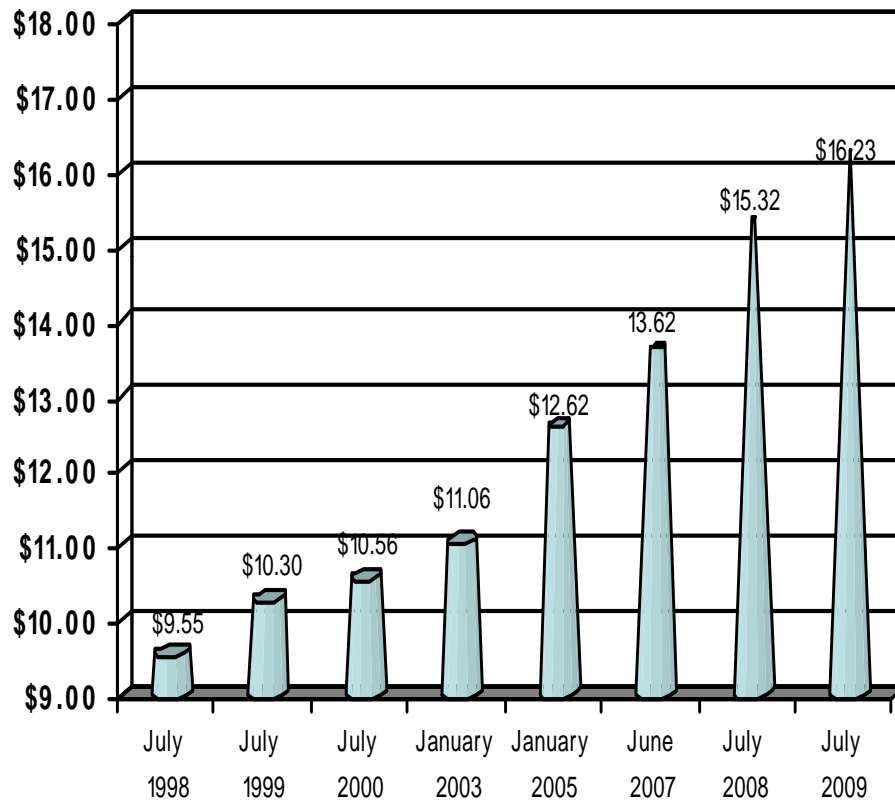
- The Departments on Aging, Human Services and the Illinois Housing Development Authority (IHDA) are coordinating their efforts to redesign the long term care system based on the MFP demonstration award from the federal Centers for Medicare and Medicaid Services received in May 2007.
- MFP supports states creating systems and services to transition long-stay Medicaid-eligible persons residing in institutional settings to appropriate home and community-based settings (HCBS), as well as further the states' overall long-term care (LTC) rebalancing strategy.
- Federal CMS is offering enhanced matching funds on demonstration services provided during the first year after returning to the community. The enhanced match is 75%.
- The state is committed to achieving specific benchmarks related to system rebalancing, including an increase in the percentage of spending on LTC services in the form of HCBS from an estimated 30% in State Fiscal Year 2008 to 34% in SFY 2011.
- The MFP Budget Transfer Fund (MFPBTF) allows funding to be moved between agencies and programs providing institutional and community-based services.



Money Follows the Person (MFP) & the Human Services Framework Projects

- Human Services Framework
 - The Illinois Human Services and Healthcare Framework Project is a multi-year, comprehensive project of all human service departments.
 - Designed to develop a system to support data-sharing and efficient delivery of programs and services among the partner agencies.
 - “The Framework Project” will utilize modern technology and streamlined, standardized processes to expand residents' access to human and healthcare services, enhance the state's planning ability, and improve the efficiency of the present system.
 - The planning begun in FY 2010 with the state attempting to leverage federal funding to begin the planning stage and is expected to be completed in two years.

In-Home Service Hourly Rate History



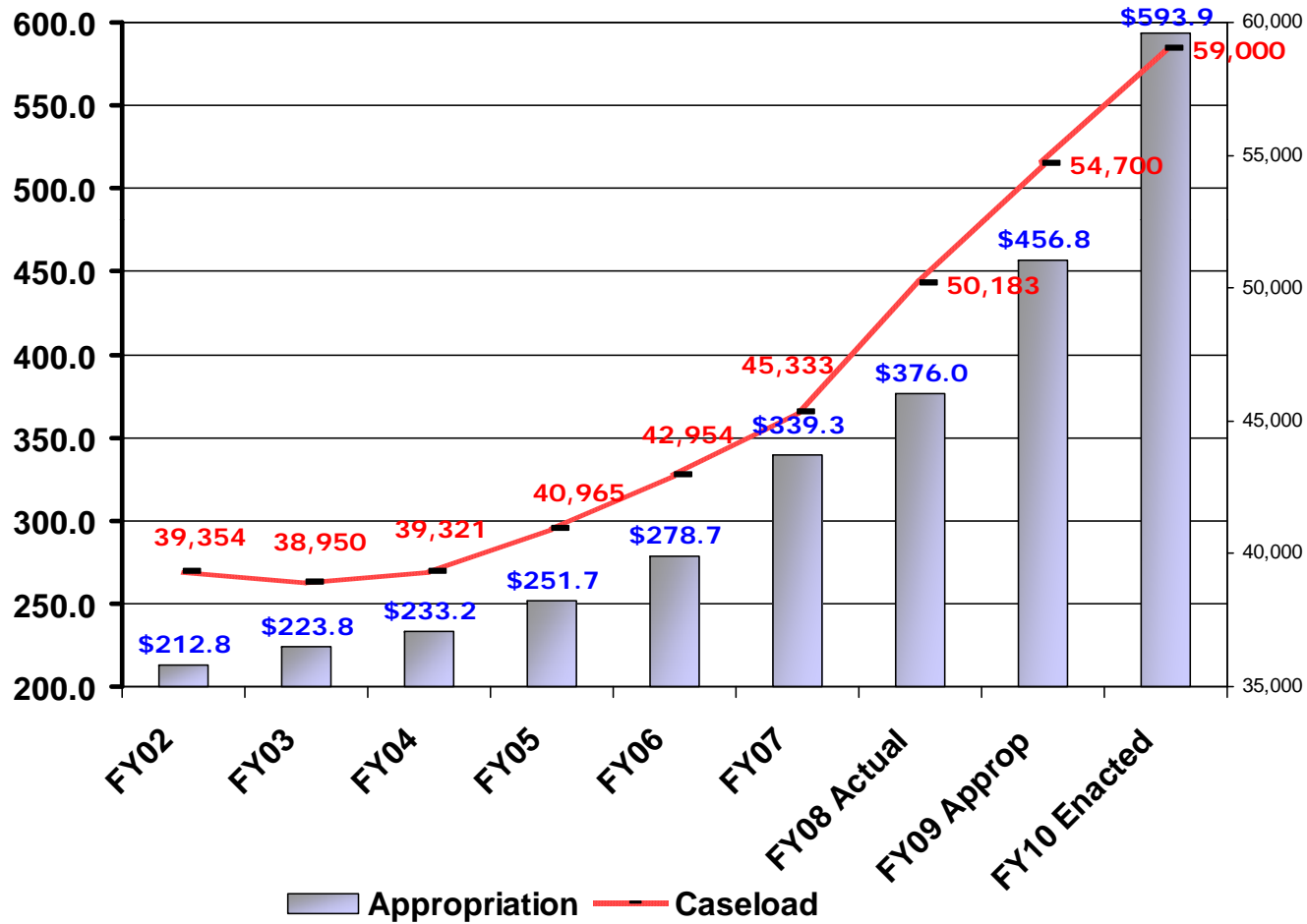
Effective Date	Rate	\$ Change	% Change
1-Jul-09	\$16.23*	\$0.91	5.9%
1-Jul-08	\$15.32*	\$1.70	12.5%
1-Jun-07	\$13.62	\$1.00	7.9%
1-Jan-05	\$12.62	\$1.56	14.1%
1-Jan-03	\$11.06	\$0.50	4.7%
1-Jul-00	\$10.56	\$0.26	2.5%
1-Jul-99	\$10.30	\$0.75	7.9%

• Since July 1, 2009, the in-home service rate was adjusted from \$10.30 per unit hour to \$16.23 per unit hour, which is an increase of \$5.90 per unit hour or 57%.

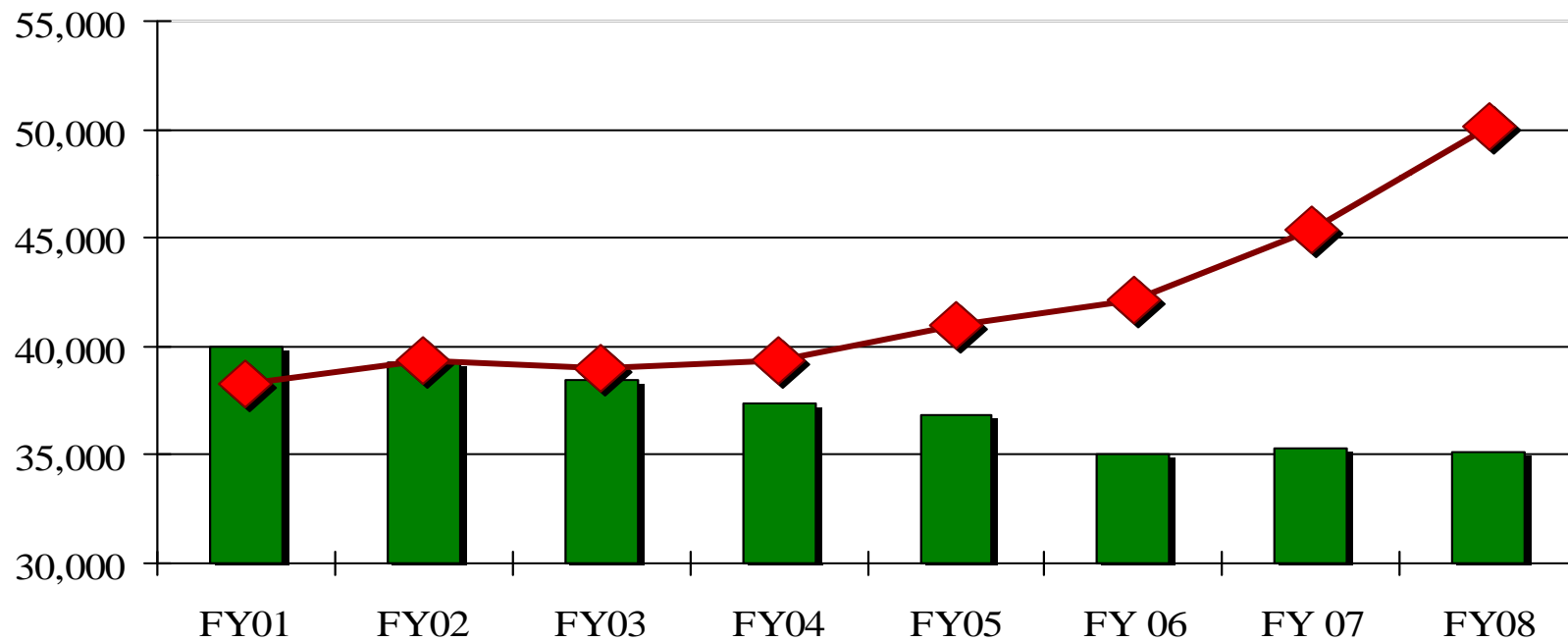
• The enacted budget also includes funding to increase the rate for health benefits from \$1.33 to \$1.46 per unit of delivered in-home service on July 1, 2009, an increase of \$0.13 per hour since this benefit was first implemented in FY09.


CCP Appropriation & Caseload History

(\$ in Millions)



65+ Medicaid Residents in Long-Term Care Facilities and CCP Caseload



 LTC Facilities 65+ Medicaid Residents

 CCP Avg. Monthly Clients

Illinois Department on Aging

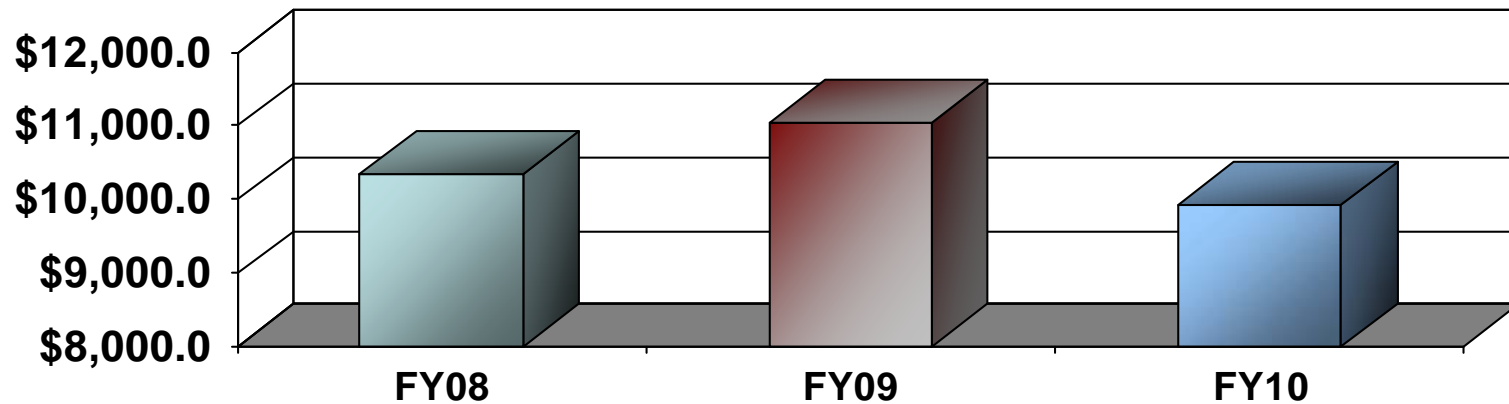


**Fiscal Year 2010
Community Support
Services**

FY10 Elder Abuse & Neglect Program

All Funds (in thousands)

- FY08 Actual \$10,346.4
- FY09 Approp. \$11,041.4
- FY10 Enacted \$9,937.8





FY10 Elder Abuse & Neglect Program

- The Elder Abuse and Neglect Program responds to and investigates reports of abuse, neglect and financial exploitation of persons age 60+ who live in the community.
- It is administered through the Area Agencies on Aging, which have designated 43 local agencies to provide services statewide.
- Effective January 1, 2007, the Department began accepting reports concerning seniors who are suspected of placing themselves or others at risk of harm.
- A steering committee has recommended rules for administering this new mandate pursuant to Public Act 94-1064, which in some states accounts for up to 40% of all abuse, neglect, and exploitation (ANE) cases.
- The budget includes approximately \$10 million for the ANE program to respond to approximately 11,300 reports of elder abuse, neglect and financial exploitation.



FY10 Circuit Breaker Program

	FY09 Appropriation	FY10 Enacted	FY10 over FY09 \$ Diff.	FY10 over FY09 % Diff.
GRF	\$44,196.0	\$24,196.0	(\$20,000.0)	-45.3%
Other State Funds	\$6,490.9	\$6,490.9	\$0.0	0.0%
Total Funds	\$50,686.9	\$30,686.9	(\$20,000.0)	-39.5%

The Department's fiscal year 2010 appropriation for the Circuit Breaker program has been reduced by \$20 million, or 39.5% in all funds.

Property tax relief grants to eligible seniors and disabled persons will be reduced by 50% of their calculated maximum amount in fiscal year 2010.

Each year, approximately 230,000 claimants are awarded a Circuit Breaker grant.



FY10 Older Americans Act: Community Support Services

The Department distributes OAA funds to 13 Area Agencies on Aging, which in turn contract with 250 service providers to provide senior services at the local level.

The Older Americans Act funds serve 549,500 or 29% of Illinois' approximately 2 million seniors, age 60 and over.



FY10 Community Support Services

General Revenue Funded Programs	FY09 Approp	FY10 Enacted	FY10 over FY09 \$ Diff.	FY10 over FY09 % Diff.
Senior Employment Program	\$264.3	\$237.9	(\$26.4)	-10.0%
Older Adult Initiatives	\$0.0	\$9.0	\$9.0	0.0%
Exp of Intergenerational Programs	\$60.0	\$54.8	(\$5.2)	-8.7%
Grandparents Raising Grandchildren	\$336.5	\$302.9	(\$33.6)	-10.0%
Home Delivered Meals	\$2,000.0	\$2,000.0	\$0.0	0.0%
Alzheimer's Initiative and Related Programs	\$104.7	\$94.2	(\$10.5)	-10.0%
Exp for Monitoring and Support Services	\$296.9	\$267.2	(\$29.7)	-10.0%
Exp of Illinois Council on Aging	\$12.2	\$18.0	\$5.8	47.5%
Exp of Senior Meal Program	\$34.5	\$31.1	(\$3.4)	-9.9%
Alzheimer's Task Force	\$12.4	\$11.2	(\$1.2)	-9.7%
Exp of Senior Helpline	\$1,650.0	\$1,577.7	(\$72.3)	-4.4%
Exp of Red-Tape Cutters Program	\$9.8	\$0.0	(\$9.8)	-100.0%



FY10 Community Support Services

General Revenue Funded Programs	FY09 Approp	FY10 Enacted	FY10 over FY09 \$ Diff.	FY10 over FY09 % Diff.
Retired Senior and Volunteer Program	\$782.0	\$703.8	(\$78.2)	-10.0%
Planning and Services Grants to AAA	\$2,241.7	\$2,241.7	\$0.0	0.0%
Foster Grandparent Program	\$342.1	\$307.9	(\$34.2)	-10.0%
Agencies for LTC Systems Development	\$276.0	\$248.8	(\$27.2)	-9.9%
Red-Tape Cutters (SAAA)	\$251.7	\$0.0	(\$251.7)	-100.0%
Ombudsman Program	\$391.0	\$351.9	(\$39.1)	-10.0%
HDM and Mobile Food Equipment	\$7,969.6	\$7,969.6	\$0.0	0.0%
Red-Tape Cutters (Chicago)	\$603.6	\$0.0	(\$603.6)	-100.0%
Community-Based Services	\$3,062.3	\$3,062.3	\$0.0	0.0%
Community-Based Services (equal dist)	\$1,955.0	\$958.0	(\$997.0)	-51.0%



FY10 Community Support Services

Federal and Other State Funds (OSF)	FY09 Approp.	FY10 Budget (PA 096-0046)	FY10 over FY09 \$ Diff.	FY10 over FY09 % Diff.
National Lunch Program	\$1,700.0	\$1,700.0	\$0.0	0.0%
Title V Employment Services	\$4,100.0	\$4,500.0	\$400.0	9.8%
Title III Nutrition Services	\$24,475.8	\$24,475.8	\$0.0	0.0%
Title III Social Services/NFP	\$27,164.0	\$24,500.0	(\$2,664.0)	-9.8%
Nutrition Services Incentive Program	\$6,500.0	\$8,500.0	\$2,000.0	30.8%
Title VII Prevention of ANE	\$0.0	\$500.0	\$500.0	0.0%
Title VII LTC Ombudsman Services	\$0.0	\$1,000.0	\$1,000.0	0.0%
Title III D Preventive Health	\$0.0	\$1,000.0	\$1,000.0	0.0%
ARRA Nutrition Services	\$0.0	\$5,000.0	\$5,000.0	0.0%
ARRA Employment Title V	\$0.0	\$950.0	\$950.0	0.0%
Senior Health Assistance Programs (OSF)	\$1,600.0	\$1,600.0	\$0.0	0.0%

THANK YOU!

For more information about the Department
or for assistance accessing services visit:

www.state.il.us/aging

or call the Senior HelpLine at:

1-800-252-8966

1-888-206-1327 (TTY)