



AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN
ASSOCIATE MEMBER NEWS
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An atomic bomb hit Lansing this week . . . just as Lieutenant Governor Calley predicted, with the release of Governor Snyder's first budget plan on Thursday. The Governor's budget is an 'all cuts' solution for the massive \$1.4 billion hole in the 2012 state budget.

After three years of cuts, the Office of Services to the Aging (OSA) is again targeted for more cuts. The Executive budget for FY 2012 would cut \$2.2 million; this comes on top of \$10 million lost between FY 2009 and 2011. The \$2.2 million would come from community services (\$1,025,500), nutrition (\$791,000), Foster Grandparents (\$201,000), RSVP (\$56,400) and Senior Companion (\$144,400). OSA also receives federal funding, but cuts are being discussed in D.C., as outlined later in this edition.

Please sound your advocacy voice to convince Legislators to maintain funding for meals-on-wheels and other OSA services! See the Advocacy Alert attached to this message for details.

Medicaid-funded long term care programs are a mixed bag. For FY 2012, nursing homes would see a 2% increase in Medicaid (\$35 million) and PACE programs would get 30% more (\$7 million). The MI Choice Medicaid Waiver would be maintained at the current level of \$206 million. But Michigan's other major home and community-based program – Home Help – would be cut by \$15 million (5%) next year. The Governor also eliminates the Michigan Quality Community Care Council (MQC3) that runs a worker registry, does background checks, training and provides other supports for Home Help workers.

AARP is voicing strong opposition to another portion of the Governor's spending plan to raise revenues by taxing all public and private pensions, now totally or partially exempt from state income tax. Right now, Michigan is one of the most retiree-friendly states in the nation in terms of income taxes. It is estimated that 95% of older Michigianians 65+ pay no state income tax. Other changes - the extra exemption for seniors would be eliminated, and the Homestead Property tax credit for those 65+ would be reduced. Snyder would keep the total exemption on Social Security income. The Executive budget would also eliminate the Earned Income Tax Credit, which benefits low-income workers including many in the long term care industry.

On the national scene . . . a continuing resolution keeping federal programs operating expires on March 4th, and House Republicans want to cut \$61 billion as a down payment on the deficit. Their cuts include the total elimination of national volunteer programs including the Retired Senior Volunteer Program (RSVP), Senior Companions and Foster Grandparents. These programs, funded through the Office of Services to the Aging, recruited over 13,000 older volunteers last year who contributed 3.6 million hours of service to public and nonprofit agencies. The House Republicans would also cut: \$65 million (4.3%) from the Older Americans Act (no details provided); \$500 million from Title V senior employment; \$305 million from the Community Services Block Grant; and \$400 million from the Low-Income Home Energy Assistance Program (LIHEAP). President Obama's FY 2012 budget proposal was also released this week and includes increases in the Older Americans Act – more details in the next issue.

The Associate Member News will not be published next week.

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