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Your Update from AgeOptions

August 2016

## **Budget Impasse Ends with a Stopgap Budget And Two-Thirds Funding**

*A report from Jonathan Lavin  
AgeOptions President and CEO*

We finally saw some relief from the terrible budget impasse of the last year as Illinois entered Fiscal Year 2017. With one day to go before the end of the 2016 fiscal year, the state's political leaders on June 29 enacted a budget to partially pay for all State Fiscal Year 2016 as well as for six months in State Fiscal Year 2017.

This stopgap budget, though, offers only a temporary reprieve from the impasse that gripped the state since the start of the 2016 state fiscal year last July. The budget provides only two-thirds funding for all of FY16 and the first six months of FY17.

AgeOptions' diversification of funding sources and prudent approach to expenditures over the past nine months paid off with a positive standing. The impact on our community agencies is also positive. With the authorization of state funding, AgeOptions was able to amend FY16 grants so that agencies have access to all the planned awards that were shared with them during the summer of 2015. Even though state funding was not equal to the levels anticipated, we were able to transfer funds, shift administrative costs, use contributions from *Celebrating Aging* and use carryover to offer full funding during the 2016 fiscal year.

AgeOptions has issued FY17 letters of intent to our provider agencies. If the stopgap budget at two-thirds of normal funding continues, we estimate that social services and respite funding will receive 80 percent of normal funding levels in the coming year. All other services will be at 100 percent.



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The Community Reinvestment Program, which was proposed by Governor Rauner to reduce costs in the Community Care Program for homebound older persons, will not begin until there is a full-year budget and rules are adopted. The 18-month state budget authorizes only partial payment for non-Medicaid clients currently served by the Community Care Program. This means the Department on Aging has \$300 million to cover more than \$500 million in costs to serve the 45,000 individuals in this category. We have been informed that the Community Reinvestment Program will not go into effect until there is a full FY 2017 budget, which is not scheduled to be discussed until November.

Area Agencies on Aging across the state are somewhat relieved to have a partial budget fix, as are the recipients of our services. The dollars equal survival to many, and tough choices on who will or will not be helped are the letter of the day during the partially funded 2016 summer months. We urge Illinois elected officials to work toward a more permanent solution so we can provide essential services to the older adults and people with disabilities we serve.