



ELDER ECONOMIC SECURITY AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Through the American Recovery and Reinvestment Act of 2009 (ARRA), state and local government agencies are charged with the important task of utilizing funds in the most efficient and effective way. With respect to elder economic security, ARRA’s provisions aim to improve elders’ financial well-being by providing financial assistance and added income supports. State and local advocates have a role in assuring that ARRA funds, for families and elders, are spent with the broader goal of promoting intergenerational economic security over the lifespan. Although its funding is designed to offer a short-term lift to the struggling economy, how those resources are spent can impact the long-term economic well-being of workers, baby boomers, elders and families. State and local advocates need to be involved in the process and assist in making sure aid is reaching those most in need, namely the vulnerable communities hardest hit by the economic downturn.

SELECTED ARRA PROVISIONS AFFECTING OLDER ADULTS

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| Aid to elderly and people with disabilities | \$14.4 billion for one-time payment of \$250.00 per person to recipients of SSI, Social Security, Railroad Retirement, and Veterans’ Disability compensation or pension benefits. |
| Unemployment Insurance | \$40 billion over two years. Extends emergency benefits through Dec. 31, 2009 and increases them by \$25 per week. Provides incentives to states to expand eligibility by counting the most recent earnings of applicants. |
| SNAP (Food Stamps) | \$20 billion, FY 2009-2013. 13.6% increase in SNAP benefits, probably starting in April, 2009, with smaller increases in subsequent years until funding phases out. |
| Senior Nutrition Programs | \$100 million, including \$65 million for Congregate Nutrition Services, \$32 million for home-delivered meals and \$3 million for Native American nutrition services. |
| Medicaid | \$87 billion to increase federal payments for the period from 10/1/08 to 12/31/10. Each state will receive 6.2% increase in their federal Medicaid funding rate. About 35% will be targeted to states with the highest unemployment. |
| COBRA | \$20 billion. 65% subsidy for up to nine months of health premiums for laid-off workers eligible to buy into their previous employers’ health plans. |
| Community Service Employment for Older Americans | \$120 million to provide jobs for an additional 24,000 seniors. |
| Community Service Block Grant | \$1 billion to serve an additional 11 million individuals through coordination of LIHEAP, housing, emergency food assistance and weatherization. Income eligibility ceiling is raised to 200% of poverty from 125%. |
| Retrofit Low-Income Housing | \$2.25 billion to retrofit for energy efficiency in Section 8, and HUD-sponsored housing for elders and disabled individuals. |
| Neighborhood Stabilization Program | \$2 billion for local and state governments to purchase and rehabilitate foreclosed properties over the next three years. |

ANTICIPATED TIMELINES

The bill sets goals to use funds quickly. At least 50% of the funds are to be used for programs and projects that can be initiated no later than 120 days after the enactment of this bill, February 17, 2009. Formula grants will be allocated to the states no later than 30 days after enactment, and competitive grants are to be awarded no later than 90 days after enactment. The greatest challenge may come in the need to fully obligate the funds within two years.

IMPLEMENTATION

Despite expedited timelines, advocates can still have a major impact on the implementation of ARRA in the states as the process initially unfolds. Guidance and definitions are being written by federal departments. State governments will have to agree to participate and appropriate the funds through their legislatures upon notice of allocation, as must city governments in some cases. State government departments or agencies as well as some at the local level must consider the expansion of staff, programming and other elements to effectively administer these grants so that they can fully draw them down within the strict time constraints. While half of the funds must be drawn down within 120 days, the other half may be used over the following 20 months. There is much that can be done to influence how these resources are used.

ENSURE ACCESS TO STATE SUPPORTS AND ECONOMIC SECURITY

To promote elder economic security, the first priority for advocates ought to involve working with state officials and the state legislature to ensure the one-time payment to Social Security and SSI beneficiaries does not penalize individuals receiving state-funded public support programs. Under ARRA, the one-time Social Security and SSI payments are exempt from counting toward one's eligibility for federal income assistance programs. To ensure this is the case with state funded programs, there may be the need for emergency state legislation to be enacted.

ADVOCACY AT THE STATE AND LOCAL LEVEL

The best way to ensure ARRA funds are allocated consistent with the goal of lifelong economic security is to demand public participation, a transparent process and accountability in the use of funds through public hearings and town hall meetings, citizen oversight boards and web-based monitoring systems. Additional advocacy strategies may include:

- Encourage the enactment of state and local laws or regulations that require or encourage the hiring of individuals with incomes less than a benchmark of economic security, using the Elder Economic Security Standard™ Index (Elder Index) or the Self-Sufficiency Standard for families, where available.
- Ensure new jobs created under ARRA provide economically secure wages and benefits, using the Elder Index or Self-Sufficiency Standard to benchmark wages, where available.
- Work with state and local officials to incorporate the Elder Index, where available, into case management and intake assessments with elders receiving public assistance.
- Encourage state administrators receiving funding under ARRA to use discretionary and administrative funds to provide training and technical assistance to direct services providers to support their use of an economic security framework such as that provided by the Elder Index during intake and case management efforts.
- Work with state officials to create incentives and opportunities for state- and community-based senior service agencies to collaborate, to make it easier for elders to find and utilize government support systems, including coordinated benefits outreach and enrollment using systems such as www.BenefitsCheckUp.org. For instance, 1% of the \$1 billion Community Services Block Grant dollars are to be used for outreach and enrollment. Encourage CSBG administrators to use the Elder Index to best target outreach and to benchmark the economic security of clients drawing upon supports.
- Get involved in state and local planning to assure funds are spent with the overarching goal of promoting intergenerational economic security in both the short- and long-term.
- Advocate for economically secure wages for the elders hired under the Community Service Employment for Older Americans program as well as quality training programs and jobs with flexible options to meet the needs of older workers.