Understanding the Impact Of A Property Tax Levy on Provision of Senior Services and Quality of Life for Missouri Seniors

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Background

Property tax levies or mill taxes have been increasingly relied upon to support senior services due to inadequate federal and state funding (Payne & Applebaum, 2008). Analysis of the effects of property tax levies on service availability, provision and access for seniors is in its infancy. Given the growing population of seniors and the aging out of the baby-boomer population, needs will continue to grow (Payne & Applebaum). The importance of effective funding techniques is paramount to the adequate provision of services to meet the needs of seniors in their communities. This study is based on a similar study conducted in the state of Ohio, the only other of its kind, in which counties with a senior service tax levy were surveyed about the number of seniors served, types of services, and amount of the levies (Payne, Applebaum, Molea & Ross, 2007). Ohio and Missouri are two of eight states which use county property tax levies to help fund senior services. Results of the Ohio survey indicated that levy funds are very popular and generally pass at a 65 to 35 percent margin. In addition, funds are most often spent on nutrition, transportation and in-home services (Payne et al.).

In Missouri, mill taxes exist for mental health, children's services and group homes for people with developmental disabilities, as well as for seniors and are passed on a county by county basis. In 1990, Missouri's enabling statute took effect allowing counties to begin passing a mill tax for senior services. Currently several services and programs are provided for Missouri seniors through a variety of means including the mill tax. In 1973, an amendment to the Older Americans Act (OAA) required states to create local Area Agencies on Aging (AAAs) to provide servicers for older Americans (Achenbaum, 2008). In Missouri, ten AAA service areas were created and provide services including nutrition programs, in-home services, legal services, disease prevention and access issues such as transportation (State of Missouri, Department of Health and Senior Services, n.d.). Health services for older Missourians are also coordinated by the MO HealthNet Division which administers the Medicaid program in Missouri for those age 65 years or older (State of Missouri, Family Support Division, 2009). According to Achenbaum, traditional funding streams such as Medicare, Medicaid and OAA have been stretched to their limit in times of Federal budget crunches and states have picked up the slack in terms of coordination of services, funding oversight and the development of local funding streams. The current study contributes to a gap in knowledge which exists in the state addressing whether needs of seniors are being adequately met. The assessment of the effect of property tax levies on senior services in Missouri is one piece of the puzzle.

Methods

Missouri's 114 counties and the independent city of St. Louis are eligible by Missouri statute to implement a mil tax to fund services for seniors such as nutrition, transportation, home care, etc. The state of Missouri was interested in understanding how tax levies affect senior service provision so they can better work with communities in meeting the needs of Missouri seniors. This study collected public information through a survey administered by the Missouri Department of Health and Senior Services. Using a telephone and mail survey design, Senior Service Tax Levy Board chairs in each of the 46 counties in Missouri with senior service tax levies were contacted. Twenty-three completed surveys, yielding a return rate of 50 percent, were obtained via mail, email and telephone throughout 2008 and 2009. The survey collected information such as how long the levy has been in place, the level of support for the levy, the dollar amount collected, and the number and types of services receiving funding through the board. The survey also included questions assessing the organization level and administrative functions of the boards.

Results

The responding 23 counties were distributed evenly throughout the state and were diverse in terms of size. Thirty-nine percent of respondents were U.S. Census Bureau-defined metropolitan counties, 17 percent were micropolitan, and 44 percent were rural. The average county population in 2007 for reporting counties was 43,096 with a range from 4,913 to 263,980. The average senior population in reporting counties for the same year was 5,822 with a range from 950 to 35,964. In addition, the average percent of seniors in reporting counties was about 16 percent with a range from about 9 to 21 percent.

Responding counties were also diverse in terms of how long the levy had been in place. The enabling statute took effect and the first mils were passed in 1990, while the most recent levy was passed in 2008. About 40 percent of respondents passed the mil prior to 2000, and about 60 percent of respondents passed the mil in the last eight years. The average margin for the passage of the levy was 60 percent to 40 percent. Slightly over half of counties had a campaign committee which helped assist with the passage of the levy. The majority of counties passed the levy the first time it was on the ballot (91 percent) and none of the counties have had repeal actions to get rid of the tax. Most counties collect $.05 for every $100 of property assessed. In terms of the average amount collected over the past three years for counties, the mean is

$303,988 with a range of $12,243 to $2,045,304. Because of the large variability, it is important to include the median amount collected which was $87,589. The variability also affected the standard deviation in reporting total population, senior population and amount of money spent through the levy. On each of these measures, the standard deviation exceeded the mean because of the large range. In addition, demographic information was also obtained from the US Census Bureau's Annual Estimates program and the American Communities Survey program to calculate average per capita and per senior spending estimates in each county. The average amount spent per senior was about $37 and per capita was about $5 (see Table 1).

With regards to board information and management of the funds, 18 of 23 county boards had bylaws, and about half of the counties met at least once a month (11) while nine met 3-6 times a year and three met once a year or as needed. Only two county boards employed paid staff, and the majority of boards placed either the board treasurer or county treasurer in charge of the accounting functions of the fund. All counties reported board members being selected by county commissioners with slightly under half of counties reporting a formal application process. Most counties made an effort to obtain geographic and professional diversity on their board. Half of counties reported having board members from at least four cities within their county, and the majority of board members in most counties were seniors. Professions represented include health, education, government, business, military, homemaking, finance, social services, and farming, among others.

With regards to the application, review and approval process for submitting requests for funding, almost all counties reported using a formal written application form and about half reported using a request for proposal format, while others had a rolling application process. All counties reported that reviewing and final decisions on funding were determined by the board. All counties also reported there was at least an annual reporting requirement for agencies who receive funding.

The average number of grantees reported by counties was nine, with a median of six and a range of two to 28. When asked about the top three service providers funded through the levy, the service types most commonly reported were Senior Centers, transportation and nutrition services in that order. In addition to these types of services, counties reported on other types of services funded through the levy including (percents determined by number of counties who reported funding the following services): 1) Information and Referral – 24 percent; 2) Senior center administration & maintenance – 62 percent; 3) Home delivered meals – 76 percent; 4) Home making/personal care/chores assistance – 43 percent; 5) In-home health care assistance (personal care/respite) – 33 percent; 6) Home medical equipment – 5 percent; 7) Home repairs – 33 percent; 8) Emergency response assistance – 33 percent; 9) Life enrichment programs/healthy aging/educational programs – 38 percent; 10) Alzheimer's/dementia – 10 percent; 11) Adult day care – 24 percent; 12) Caregiver services/support – 19 percent; and 13) Case management – 19 percent. Five counties reported having a waiting list for services, four of which were for home making/personal care/chores assistance (see Table 2).

With regards to collaboration and fund development , slightly under half of responding counties reported coordinating services with Area Agencies on Aging (AAA's) or other agencies (43 percent). In addition slightly over half of counties reported allowing recipients to make voluntary contributions to the fund (57 percent), and 32 percent of counties reported using senior services tax funds as a match to leverage other funds such as Older Adults Transportation Services (OATS), Missouri Department of Transportation (MODOT), and the Older Americans

Act. In terms of keeping the community informed about funds and how they benefit the community, 73 percent of respondents reported using the newspaper and other media outlets, 23 percent reported using community presentations, and 18 percent reported using word of mouth and/or other agencies. One respondent reported using a senior tax levy board website, and one reported using a mass mailing. To determine the needs of the community, 45 percent reported conducting a needs assessment, 68 percent reported using discussions with community leaders and service providers, and 55 percent reported relying on constituent requests.

Discussion

These findings provide information to fill a gap in knowledge on the effects of property tax levies on local service provision for seniors. Devolution of funding for social services in the aging community and increasingly strapped state budgets has important implications for the need of increased organization and advocacy at the local level to meet the needs of an aging population (Hornbostel, 2004; Payne & Applebaum, 2008; Payne et al., 2007). Nationally, evidence has shown a growing need among seniors for services to support home care, however traditional avenues such as Medicare and Medicaid may not address the mental, emotional, and social needs of older Americans or their caregivers (Lee & Rock, 2009). This is one type of need that local senior tax levy boards may be more equipped to address due to its ability to support services that local seniors need most, whether they be information and referral to counseling services, funding local senior centers, caregiver support services, or chore assistance.

Criticism of this funding strategy centers on the argument that it creates a fragmented system which does not provide an equitable solution to senior service provision. In addition, according to Hornbostel (2004), in rural counties the tax base is lower, yet the proportion of seniors in the population is higher. However as federal and state availability of funds continues to shrink in the current economic environment, local tax levies may be one of the only viable options to support a growing senior population. Further research will need to continue to examine the effects of these levies as they are passed and implemented in additional states. Programs funded by tax levies and the funding landscape of senior services must continually be monitored in order to accurately measure the success of this particular funding strategy. This will help identify best practices and possibilities for collaboration along with the development of more equitable solutions.

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Table 1
Descriptive Statistics for Reporting Counties

Measure	N	Mean	Standard Deviation	Minimum	Maximum
Population	23	42,475	63,777	4,977	259,450
Senior Population	23	5,713	7,871	941	35,232
Total Amount Spent	21	$303,988.00	$548,384.00	$12,243.00	$2,045,304.00
Amount spent per senior	21	$37.16	$20.96	$13.01	$103.69
Amount spent per capita	21	$5.45	$2.09	$2.07	$9.85
Number of grantees	23	9	8	2	28

Table 2
Services Funded through the Senior Tax Levy

Service	N	Yes	No
Information and referral	21	5	16
Senior centers administration and maintenance	21	13	8
Nutrition services	21	18	3
Transportation services	21	18	3
Home delivered meals	21	16	5
Home making, personal care, chores assistance	21	9	12
In-home health care assistance (personal care/respite)	21	7	14
Home medical equipment	21	1	20
Home repairs, handyman assistance	21	7	14
Personal emergency response assistance	21	7	14
Life enrichment programs, health aging, educational programs	21	8	13
Alzheimer’s, dementia	21	2	19
Adult Day Care	21	5	16
Caregiver services/support	21	4	17
Case management	21	4	17