The Effects of Aging on Colorado's Revenue and Expenditures: A View to 2030

Introduction

The Colorado Futures Center at CSU was tasked with analyzing the long term impacts of aging on the state's revenue streams as well as its spending programs. This report describes our findings in these two areas.

<u>Impact of Aging on State Revenue</u>

All governments in the state rely in some combination of three major revenues for the majority of their financial support: 1) the individual income tax; 2) the sales tax; and 3) the property tax. Rather than analyzing by level of government, the Colorado Futures Center (CFC) forecast the impact of the changing age distribution in Colorado on the three major tax revenue streams. A template of levels of government in Colorado showing how each level relies, on average, on each of the major tax sources is included.

CFC's approach was to build models that allow for assessment of the impact of aging while controlling for other factors that affect economic behavior.

Our analytical approach for each of the revenue streams is outlined below.

- <u>Sales Tax</u> - CFC built a cohort model using data from the consumer expenditure survey to project the future spending patterns of Coloradans. From this model of consumption, the CFC forecast of future sales tax revenue analyzes the impact of the aging cohort on sales tax collections.
- <u>Income Tax</u> - CFC built a cohort model using data from the Colorado Department of Revenue Statistics of Income to project future individual income tax revenue as the basis for analyzing the impact of aging on income tax collections.
- <u>Property Tax</u> – The property tax will be affected by aging in multiple interrelated, complex and uncertain ways. Because the impacts on property values are myriad, interrelated and very uncertain, and due to the constraints of available time and resources, CFC was not tasked with building a property tax model. The State, however, has had a property tax program, enacted in 2000, which is specific to seniors. Although the state does not levy a property tax, the state does reimburse local governments for the revenues lost as a result of the program. It is important to note that the General Assembly has the authority to reduce the exemption level or to suspend the program when necessary. CFC's model forecasts the level of the senior property tax exemption under the assumption that it is fully funded each year.

<u>Impact of Aging on State Programs and the State Budget</u>

The program most likely to be impacted by aging is Medicaid. CFC forecast the full Medicaid program to assess the extent to which aging will become an increasing driver of Medicaid expenditures. CFC forecasts include the two components of Medicaid expenditures - demand and cost – and assesses the State budget impact by funding source.

Programs in other departments of state government, particularly the Department of Human Services, also will be affected by the aging population. CFC surveyed the programs of the other departments for the major aging-related expenditure drivers, documented the recent growth of each one. For some of these programs, appropriate data were not available for modeling and forecasting their growth in future years, but did forecast future impacts where appropriate data allowed.

The Effect of Aging on State Taxes in Colorado

The Sales Tax

The sales tax is the second largest source of revenue to the state General Fund. Preliminary estimates are that the sales tax generated just over $2.6 Billion in FY 2015-16, just over one quarter of all state General Fund revenue. To the extent that households contribute to the sales tax, aging will affect the future growth of revenues.

Older Households Spend Less on Taxable Items. To quantify the effect of aging on Colorado sales taxes the Colorado Futures Center used recent data from the Consumer Expenditure Survey (CES) which shows detailed spending patterns for American households. This is a national survey conducted by the US Bureu of Labor Statistics (BLS). There was sufficient detail to allow CFC to estimate household spending on items that are taxable in the state of Colorado. The data are portrayed in many ways, most importantly by the cohort of the age of the head of household. CFC was then able to match these spending patterns to age cohort forecasts by the Colorado State Demography Office.

Households headed by persons 65 and over spend less absolutely, and in particular, less on Colorado sales-taxable items than the 25 to 64 cohorts. Only the under 25 year old cohort spends less on a per household basis. The largest spending cohorts are in the 25 to 64 age groups. The table and chart below compare 2015 average household expenditures in total and on taxable items.

Table 1. Household Spending by Age of Head of Household

Household Cohort	Total Average Annual Spending	Average Taxable Spending
Under 25	$32,179	$10,211
25-44	$56,211	$17,180
45-64	$60,968	$18,302
Over 65	$43,635	$13,095

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics.

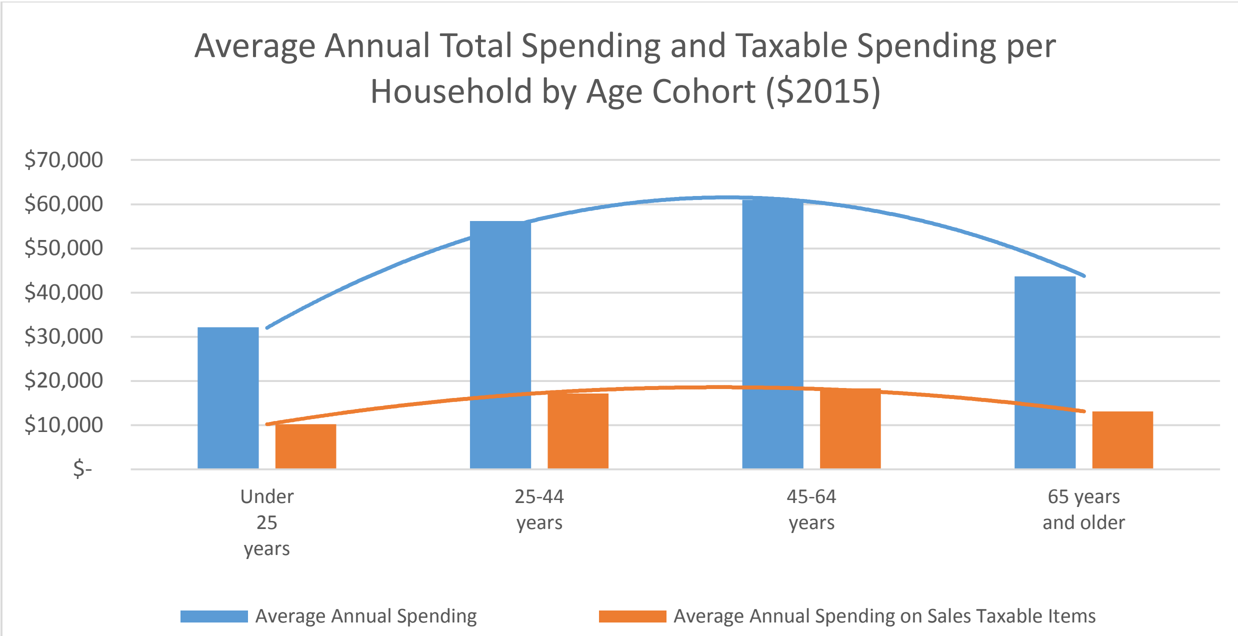

Figure 1. Total Per Household Spending and Taxable Per Household Spending in $2015. Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics.

There is a big gap between total household spending and taxable spending. Total spending includes spending on housing, spending to increase financial assets, spending on education, and other items that will probably never be taxed. It also includes spending on food and home energy, which the State of Colorado does not tax.

Notice the inverted "U" pattern in the graph data in Figure 1. This pattern occurs in nearly all categories of spending. The reasons that older households spend less are many. First, older households have less income than the 25-64 cohorts. For example, according to the CES, average pre-tax household income for the 45-64 year old cohort is $87,859. Mean income for the 65 and over cohort is $45,100. Older households are smaller. The average number of people in the 45-64 household was 2.8. For the 65 and older household, average household size was 1.8. The over 65 household spends less in nearly every category. There are a few exceptions. Notably, the older households spend more on health care, namely $5,849. The 45-64 household spends $4,728.

Methodology

Forecasting sales taxes and consumer behavior over a 14 year forecast horizon presents challenges. First, we know that consumer behavior is likely to change as much in the next 14 years as it has in the last 14 years. While futurists speculate about technological and social changes that will occur in the next decade and a half, there is certainly no consensus among them that would allow us to make educated guesses about how these changes would affect purchasing choices by consumers and other economic behaviors. For this reason, our sales tax forecast to FY 2029-30 is predicated on continuation of current consumer behavior into the future, all things remaining equal, and looking at sales taxes in isolation.

In order to estimate the effects of the aging population on Colorado sales taxes, we used two primary data sources. The first data source consists of projections of Colorado households by age cohort from the Colorado State Demography Office. The Demography Office provides projections of population by single year of age and households by age of head of household, through 2050.

The second major data source is the most recent Consumer Expenditure Survey done by the U.S. Bureau of Labor Statistics (BLS). One of the mandates of the BLS is to conduct surveys to report income and expenditures by consumer units across the United States. In the words of the BLS: "The Consumer Expenditure Survey (CE) program consists of two surveys, the Quarterly Interview Survey and the Diary Survey, that provide information on the buying habits of America's consumers, including data on their expenditures, income, and consumer unit (families and single consumers) characteristics. The survey data are collected for the Bureau of Labor Statistics by the U.S. Census Bureau."

According to the BLS:

> The CES is important because it is the only Federal survey to provide information on the complete range of consumers' expenditures and incomes, as well as the characteristics of those consumers. It is used by economic policymakers examining the impact of policy changes on economic groups, by the Census Bureau as the source of thresholds for the Supplemental Poverty Measure, by businesses and academic researchers studying consumers' spending habits and trends, by other Federal agencies, and, perhaps most importantly, to regularly revise the Consumer Price Index market basket of goods and services and their relative importance...The most recent data tables are for 2015, and were made available on August 30, 2016.

Expenditures are reported in considerable detail. Specifically, Table T1300 contains detailed household expenditure data in cohorts by the age of the head of household. The cohorts are compatible with those used by the State Demography Office. Colorado Futures Center staff then accumulated taxable expenditure line items to get total per household spending on taxable items for each of the four cohorts. (Under 25, 25-44, 45-64, and over 65.) Table T1300 reports data on 127,006 households. This is a national sample. It is large, but not large enough to provide good data on Colorado specifically. Therefore, we used the entire national sample in our analysis.

Each cohort has different spending patterns as shown in the report. Taking the average annual expenditure of each cohort, and multiplying by the number of households in that cohort, CFC staff could then estimate total annual spending on taxable items, year by year, through 2030.

As stated above, CFC maintained the 2015 spending patterns throughout the projection years. That is, we did not attempt to make educated guesses about changes in spending patterns throughout the projection horizon.

Findings

The 65 and Over Cohort is the Only Cohort That is Growing as a Proportion of Total Households. In Colorado, the 65 and over cohort is the only one that grows as a percentage of total households through 2030. In fact, the cohorts that spend the most are shrinking slightly as a percentage of total households. So the higher spending cohorts are shrinking, and the lower spending cohort is growing in percentage terms. Figure 2 below shows these trends.

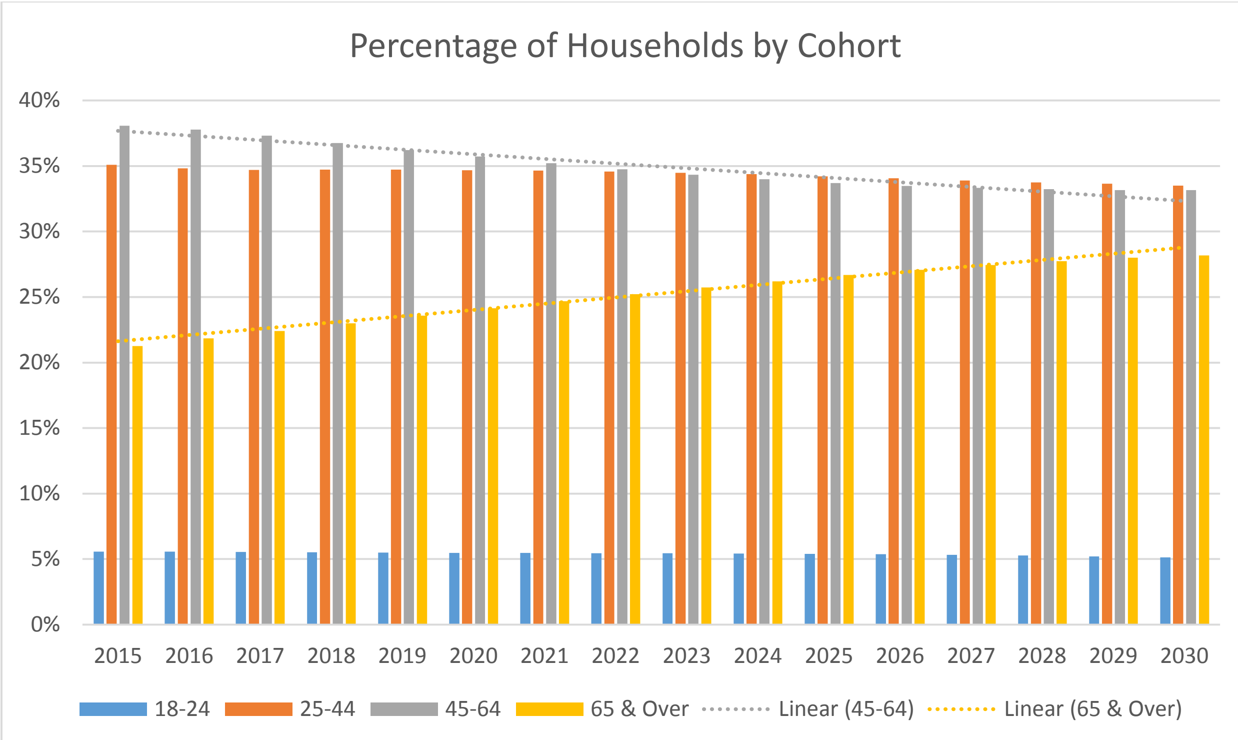

Figure 2. Cohort Households as a Percent of Total Households. Source: Colorado State Demography Office

These trends by themselves erode the state's sales tax base. Average spending by all households decreases as shown in Figure 3 below.

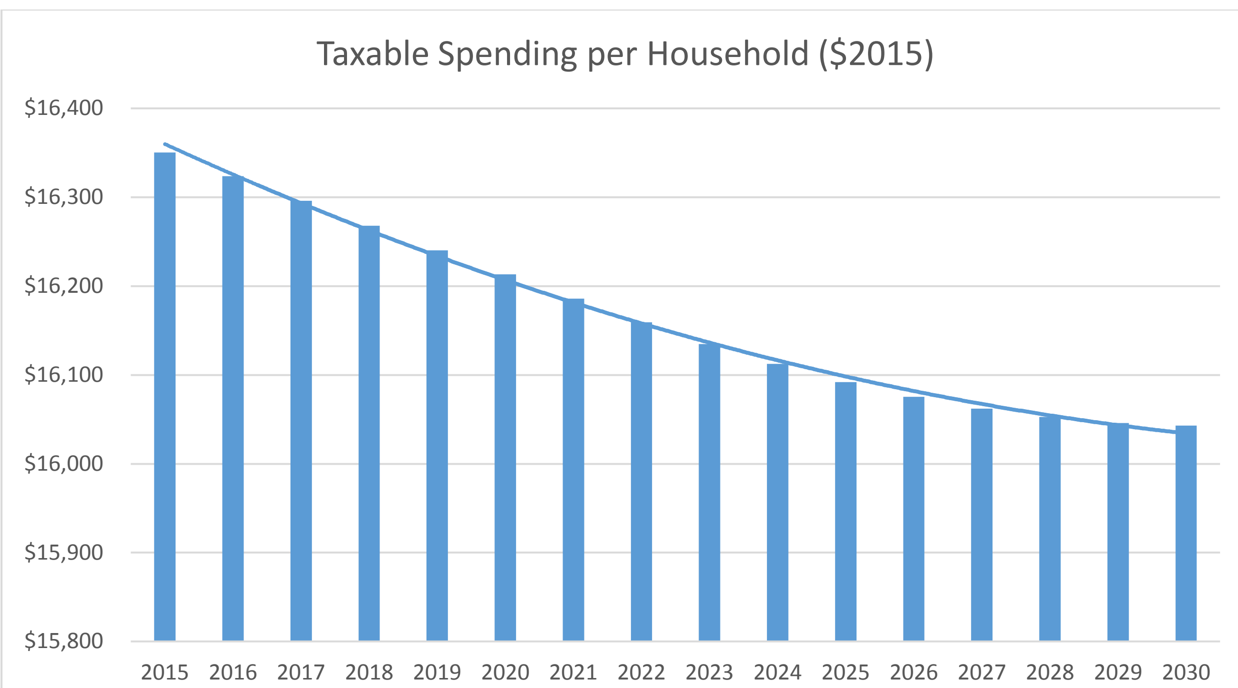

Figure 3. Colorado Taxable Spending per Household ($2015). Sources. Colorado Futures Center.

Due to the relative growth of lower spending 65 and over households, real taxable spending per household declines steadily from just over $16,300 in 2015 down to a bit over $16,000 in 2030.

Figure 4 below shows this trend in percent growth terms. The declines are not great, but they do represent a drag on the state sales tax base.

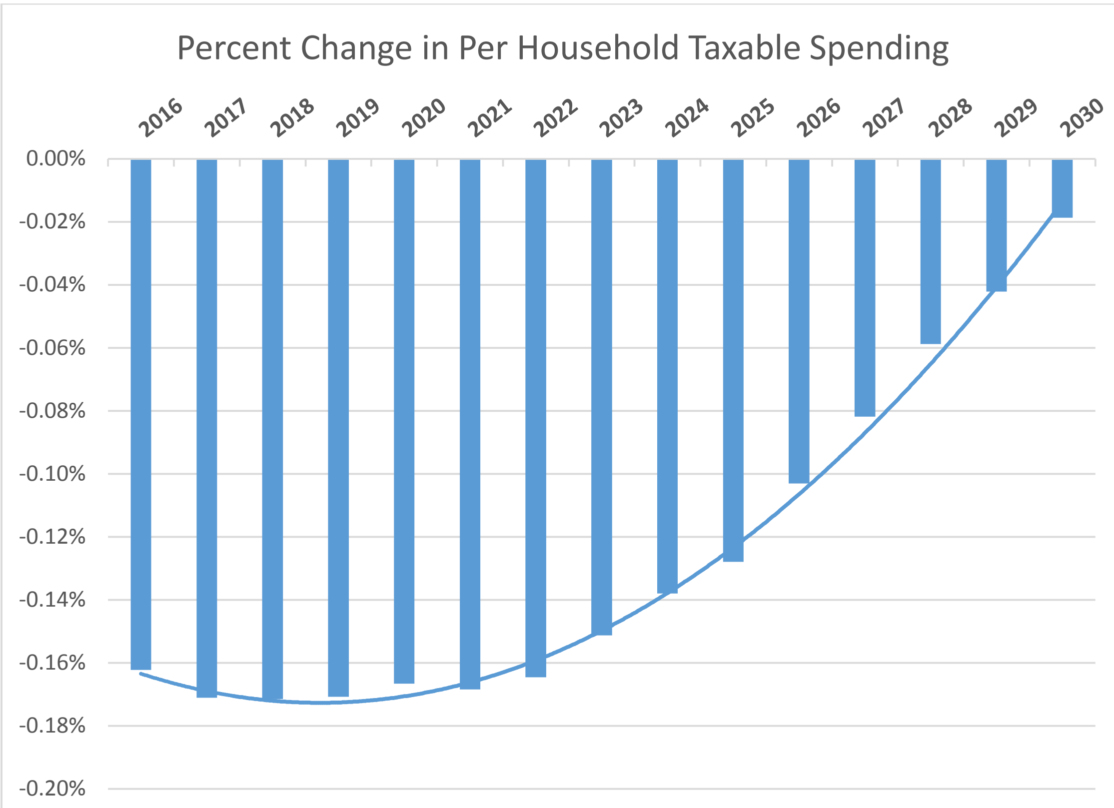

Figure 4. Growth in Per Household Spending ($2015). Source: Colorado Futures Center

The percentage declines in household spending are small. The negative growth rates peak at about minus 0.17% early in the period and shrinks to just below zero later in the period.

There is an offsetting trend. Total household numbers are predicted to grow.

The Total Number of Households is Predicted to Grow. In Colorado, the total number of households is expected to grow steadily, despite the aging of the population. This offsets the trend toward lower average household spending.

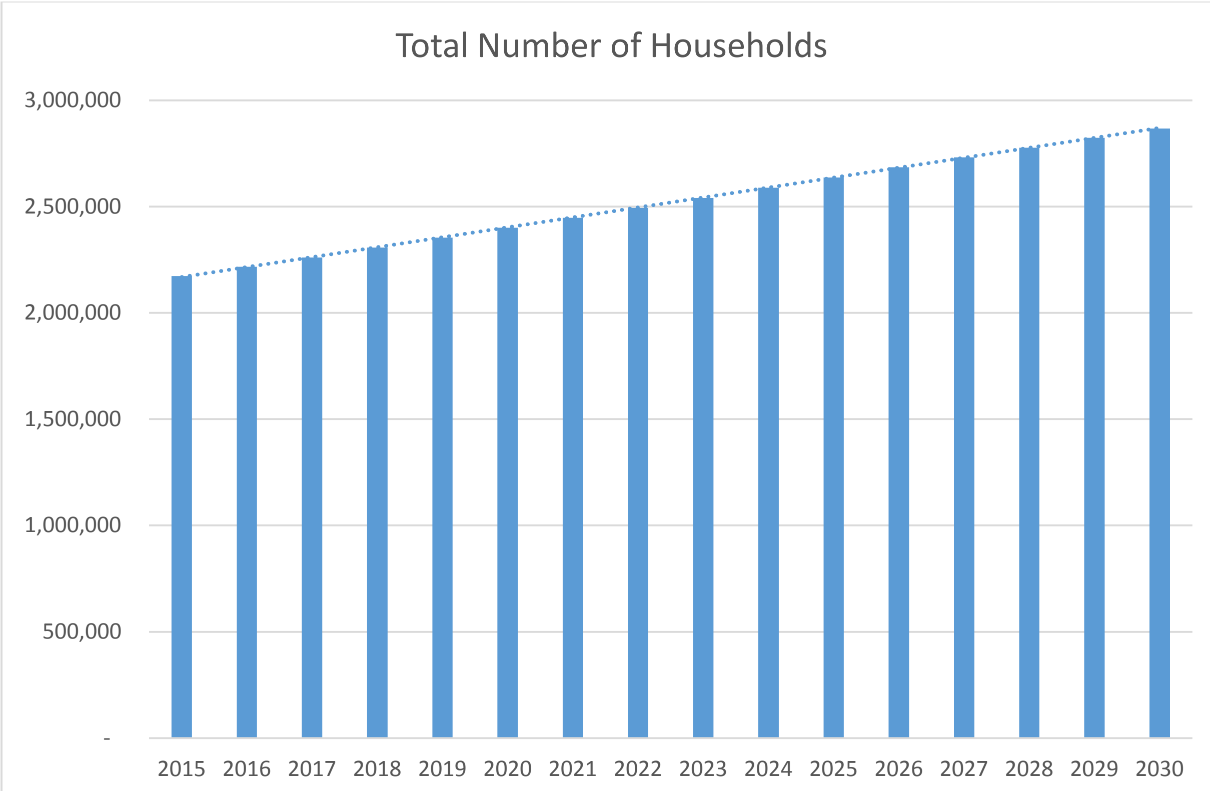

Figure 5. Total Number of Households in Colorado. Source: Colorado State Demography Office.

This same trend can be looked at in growth rate terms. Total household growth peaks at about 2% in 2018. Then it declines to about 1.5% in 2030, but it remains positive throughout the period.

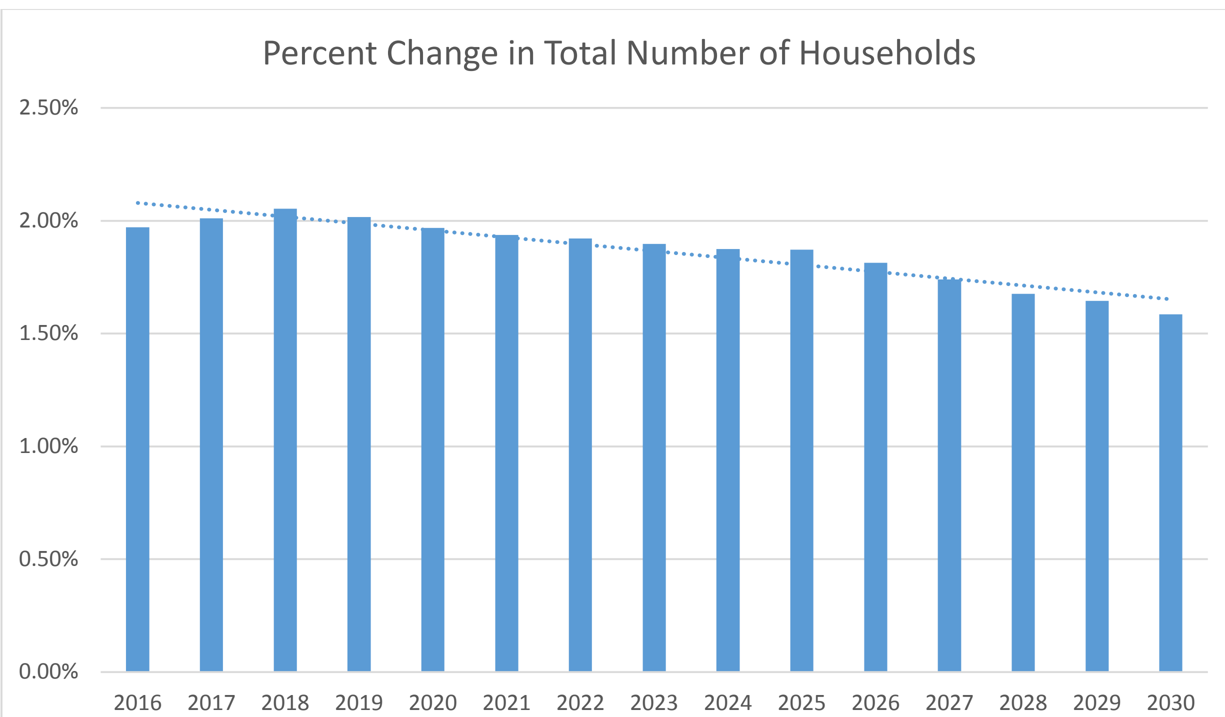

Figure 6. Percent Change in Total Number of Household. Source: Colorado State Demography Office.

The growth in total households outweighs the decline in spending per household, so Colorado sales taxes continue to grow, just at a slower rate.[1]

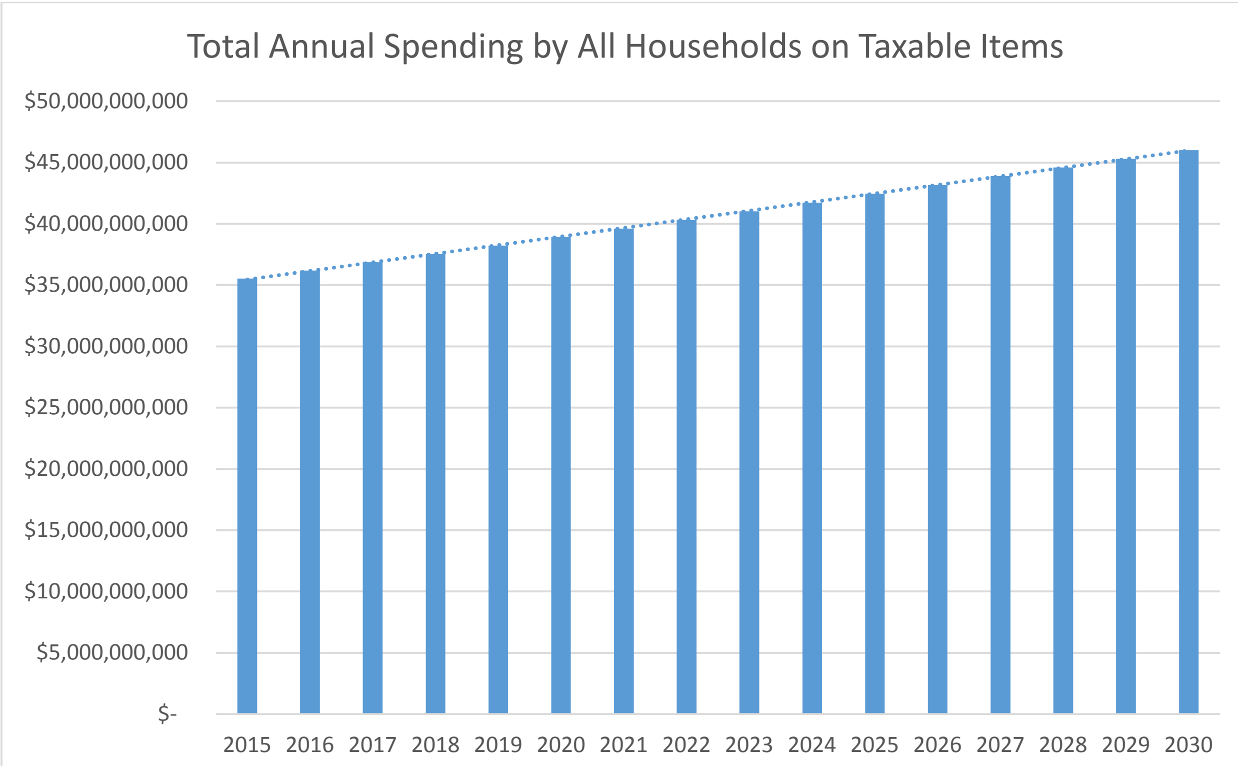

Figure 7. Estimated Total Household Spending on Taxable Items ($2015). Source: Colorado Futures Center

Figure 8 below portrays this in percent growth terms.

[1] Note that total spending is in the billions of dollars. This is correct. The state collects 2.9% of these amounts. For example, the $36 billion in household spending at 2.9% accounts for about $1.04 billion in sales tax. This represents about 39% of actual 2015 collections. The state Department of Revenue estimates that about 50% of sales taxes come from resident households. The other 50% comes from non-residents and businesses. The gap between our 39% and Department of Revenue's 50% may be due to the fact that the Consumer Expenditure Survey is a national survey. Colorado income, therefore spending, may be somewhat higher. However, the trends and conclusions of this report would remain unchanged if we scaled up the per-household number.

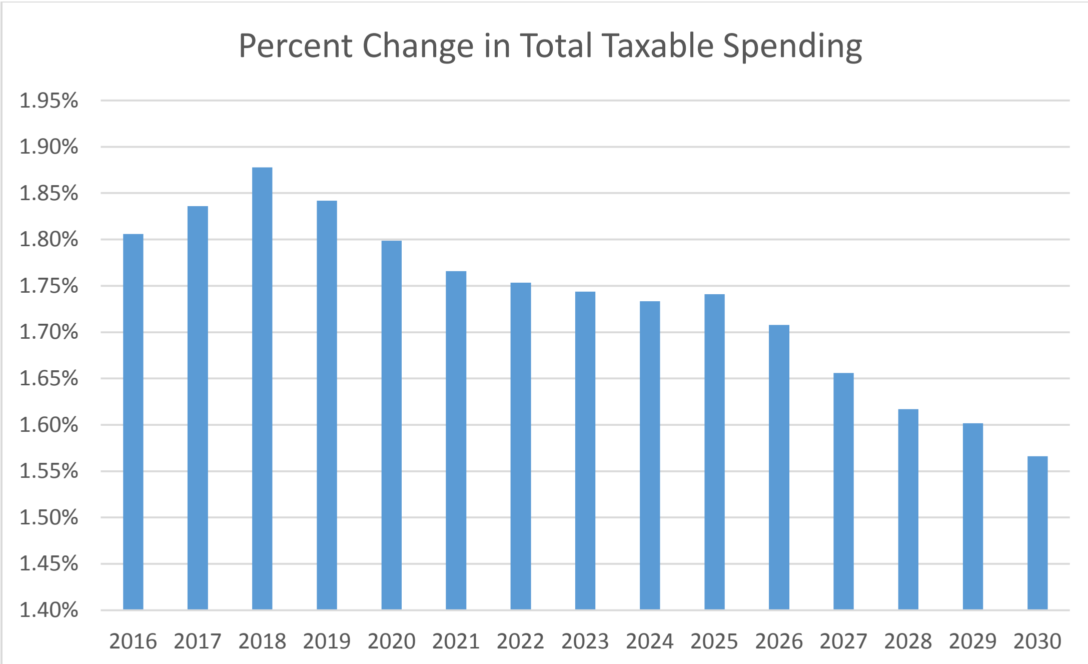

Figure 8. Growth in Total Spending by Resident Households ($2015). Sources: Colorado Futures Center

Though total household spending grows, the net growth rate declines as shown in the chart above. The growth rate peaks in 2018 at just over 1.85% then declines to just over 1.55% in 2030. Note that the amounts are stated in fixed 2015 dollars. Also the reader must keep in mind that more is happening in the Colorado economy that just household growth and lower per household spending. For example, business spending and non-resident spending may remain strong. ***This analysis shows that other things being equal, the aging of the population dampens the growth rate of the state's sales tax base.***

The Income Tax

The individual income tax is the single largest source of revenue to the state General Fund. Preliminary estimates are that the individual income tax generated just over $6.5 Billion in FY 2015-16, approximately two thirds of all state General Fund revenue. As with the sales tax, the individual income tax also will be adversely affected by the aging demographic in Colorado.

There are three distinct ways in which the income tax will be affected by aging. The first and most direct way is that taxable income falls once the taxpayer moves from high earning employed years to retirement years when most Coloradans live on fixed pension or other retirement income. The graph below clearly shows this pattern for tax year 2013, the latest year of detailed individual income tax revenue data available.

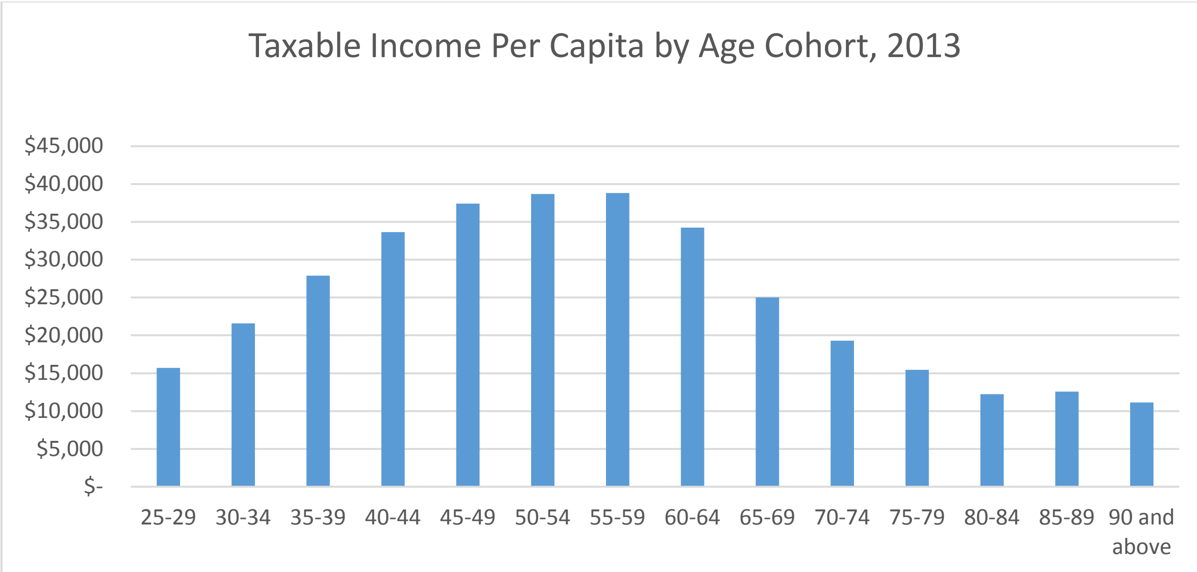

Figure 9. Taxable Income Per Capita by Age Cohort, 2013. Source: Calculation from data from Colorado Department of Revenue and State Demography Office

The second and third ways in which aging affects individual income tax revenue is through the tax code. Taxable income in Colorado is based on federal taxable income, and the federal tax code contains some reductions from income, such as the additional exemption for being over 65 years old, which flow through to the income tax base in Colorado. In addition, Colorado's tax code exempts a portion of pension and annuity income from the individual income tax.

These tax benefits, taken together with the lower earning profile of older Coloradans result in a degradation of the productivity of the individual income tax as the state ages. It is important to note, however, that at the same time Colorado is aging, it is also growing in population of all ages. Given that the state is projected to continue to grow, TOTAL income tax revenues are also projected to grow. The loss in productivity is reflected in two ways: a reduction in the PER CAPITA income tax collections and a resulting reduction in the RATE OF GROWTH of total income tax revenue. Colorado in the future will not have a smaller income tax base, just a slower growing one.

Methodology

The best data available to model the impact of aging on individual income tax revenue were the Statistics of Income (SOI) for 2013 from the Colorado Department of Revenue. Unfortunately, we were unable to obtain a sufficient historical time series of these data, so we modeled from the data for the 2013 tax year. If 2013 were a particularly unusual year, this would introduce bias into our findings. However, we have no reason to believe that the 2013 data are in any way outliers.

The SOI compiles data only from full-year resident returns in Colorado. As a result, it fails to account for the entire individual income tax base (the largest difference is made up by filings from part-year residents). In 2013, the SOI data accounted for approximately 81% of total collections. The advantage of the SOI data is its granularity. For 2013 we know the following:

Table 2. Number of Returns, Colorado Taxable Income, and Colorado Gross Tax by Age Cohort, 2013

Age Cohort	Number of Returns	CO Taxable Income	CO Gross tax
25-29	205,050	$ 5,727,158,743	$ 265,161,464
30-34	188,367	$ 8,335,413,535	$ 385,925,711
35-39	163,902	$ 9,935,478,390	$ 460,010,469
40-44	168,984	$ 12,351,832,080	$ 571,886,466
45-49	162,766	$ 13,032,084,278	$ 603,382,968
50-54	179,473	$ 14,674,320,459	$ 679,417,519
55-59	167,760	$ 13,824,452,454	$ 640,068,646
60-64	135,326	$ 10,351,783,418	$ 479,285,928
65-69	84,585	$ 5,776,276,113	$ 267,440,284
70-74	46,205	$ 2,965,906,875	$ 137,320,936
75-79	27,100	$ 1,639,323,174	$ 75,900,067
80-84	18,339	$ 956,475,668	$ 44,284,437
85-89	11,523	$ 634,301,808	$ 29,368,146
90+	6,642	$ 36,440,836	$ 15,576,967

Source: Colorado Department of Revenue Statistics of Income

To model future income tax collections, we combined these data on the tax base and collections with population estimates and forecasts from the Office of the State Demographer. From these data, we calculated both the ratio of returns to population and the average revenue per return for each of the age cohorts. We then held those ratios constant and applied them the future population profile of Colorado as projected by the State Demographer. With this methodology, we forecast the impact of the shifting age demographic on revenue from the individual income tax. It is important to note the implicit assumptions of this methodology:

- We are holding all factors other than aging constant. Implicitly we are assuming no change in the economy, household makeup, returns per population by age cohort, or the income distribution of Colorado households.
- We are assuming that the ratio of total returns to population will stay constant by age cohort. We also are assuming implicitly that future generations of older Coloradans will be no wealthier in real terms than the 2013 cohort of older Coloradans.
- Because of the above assumptions, the results are stated in 2013 real dollars.
- And, as a result, we are isolating the effect of aging but not providing a forecast suitable for a long term “budget” exercise. We are modeling how age alone affects the productivity or growth rate of the individual income tax.
- Since we are able to model only off of a single year of data, we assume that 2013 is a representative year and not an outlier.
- We assume no other change in tax law, either at the state or federal level.

With these assumptions, our methodology follows closely that of Felix and Watkins[2] in their national study of the impact of aging on state tax revenues.

Findings

Holding everything constant and modeling the impact of aging, per capita income tax collections from the portion of the income tax base attributed to full-year resident taxpayers is projected to fall from just over $880 Million in tax year 2016 to just over $866 Million in tax year 2030. As demonstrated in the graphic below, an aging population is projected to lead directly to a reduction in the real value of the income tax per capita.

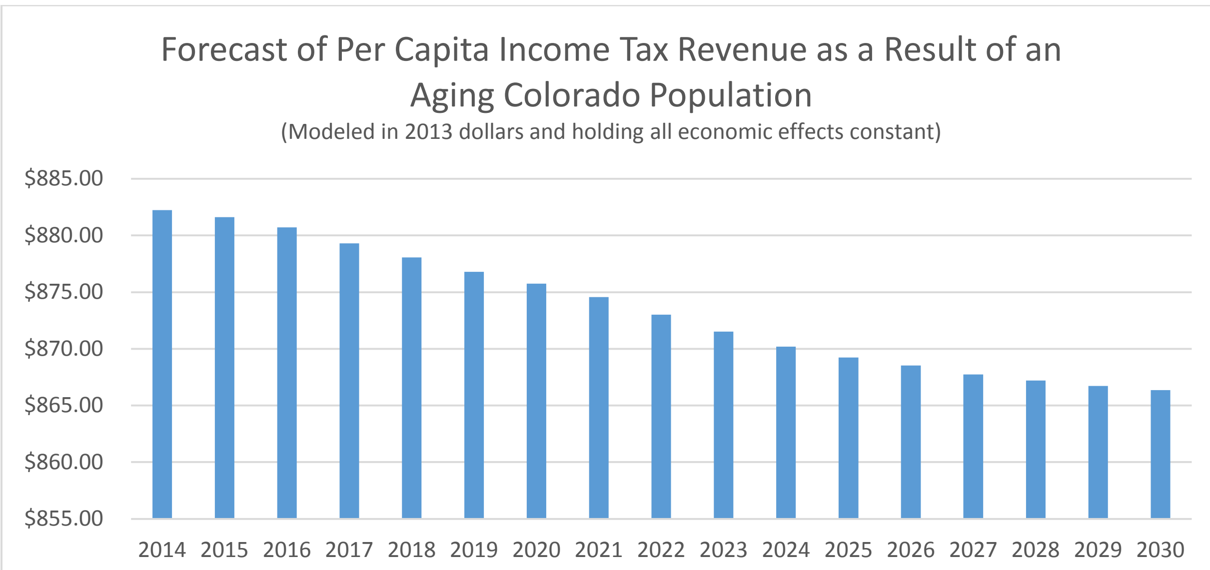

Figure 10. Forecast of Per Capita Income Tax Revenue as a Result of an Aging Colorado Population. Source: Colorado Department of Revenue

However, this will not result in a reduction in the level of total individual income tax collections. This is because over the same time period Colorado's population is projected to increase from 5,538,522 to 6,970,593 and the population growth will outweigh the impact of aging on total revenues. Our forecast of the impact of aging shows total individual income tax collections from this segment of taxpayers growing from $4.877 Billion in tax year 2016 to $6.039 Billion in tax year 2030. However, due to aging and holding constant all other economic and demographic factors, the rate of growth of the individual income tax is not projected to keep up with that of population. As a result, the growth rate of total collections is projected to slow from just over 1.6% to just under 1.45%, remaining positive but rendering this revenue source slightly less productive. ***As with the sales tax, Colorado in the future will not have declining income tax revenue, just a slower growing revenue source.***

[2] Felix, Alison and Kate Watkins. 2013. The Impact of an Aging US Population on State Tax Revenues. Federal Reserve Bank of Kansas City Economic Review, Fourth Quarter 2014. Pp. 95-127. Accessed on October 30, 2016 at https://www.kansascityfed.org/publicat/econrev/pdf/13q4Felix-Watkins.pdf.

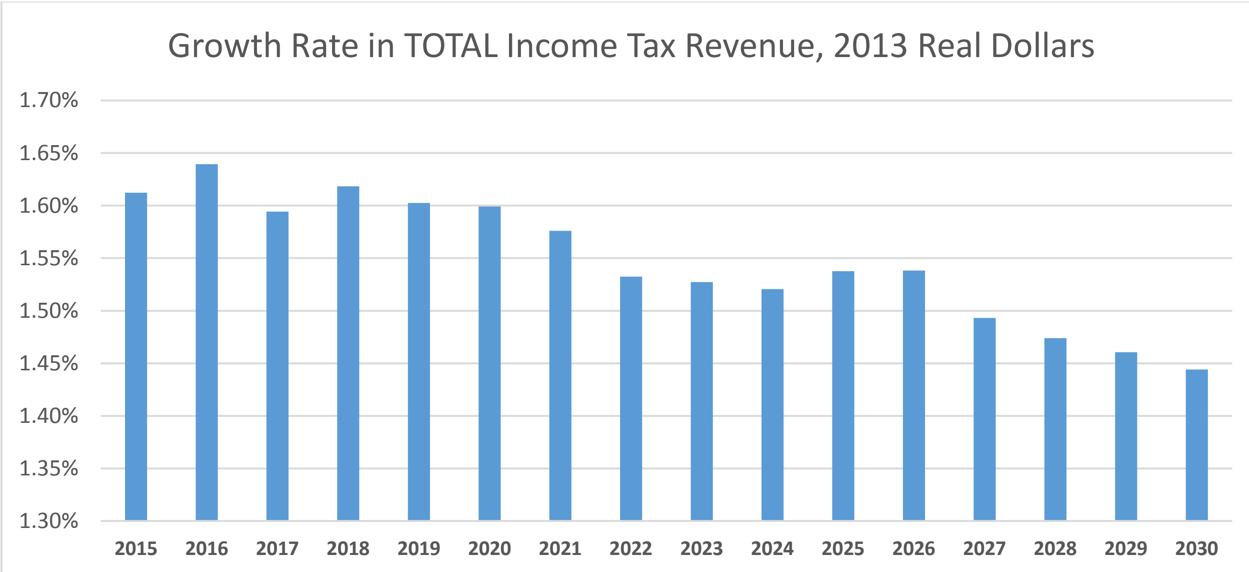

Figure 11. Growth Rate in TOTAL Income Tax Revenue, 2013 Real Dollars. Source, Colorado Futures Center Forecast

How Will Aging Affect Local Government Revenue?

There are currently has 3,680 active local governments in Colorado, including 62 counties, 2 city and county governments, 97 home rule municipalities, 12 statutory cities, 160 statutory towns, 1,522 metropolitan districts, 178 school districts, and 2,033 other local governments providing financing for a wide array of specific services and public improvements. Local governments vary widely in their reliance on major taxes and other financing mechanisms, and many have the authority under Colorado law to deviate from the state's tax base by taxing items that the state does not tax or exempting items that the state does tax. As a result, tax collections vary among Colorado local governments, and each local government will be affected by aging in different ways. For this reason, it was not possible within existing time and resources to conduct individual analyses of each local government to assess the exposure of their particular revenue systems to the age demographic shift. The extent to which any government will be impacted is dependent on how reliant that government is on each of the major sources of revenue.

Table 3 and Figure 12 below show the relative reliance, by level of government, on the major sources of tax revenue. In combination with our analysis of the impact of aging on each of the major tax revenue sources, the generalized impact of aging on local government finance can be seen.

Table 3. Average Reliance of State and Local Governments by Major Tax

Level of Government	Average Reliance on Individual Income Tax	Average Reliance on Sales Tax	Average Reliance on Property Tax	Average Reliance on Other Sources of Tax Revenue
State (General Fund, FY16 data)	65.47%	26.61%	0%	7.92%
Municipal (2013 data)	0%	76.22%	13.56%	10.22%
County (2013 data)	0%	25.5%	68.99%	5.51%
Special District	Although some special districts and taxing authorities levy a sales tax, most are primarily funded by the property tax, charges and fees. These two revenue sources may not be as affected by aging.			

Sources: Department of Local Affairs, Local Government Compendium, 2013; Colorado Legislative Council Forecast, September, 2016.

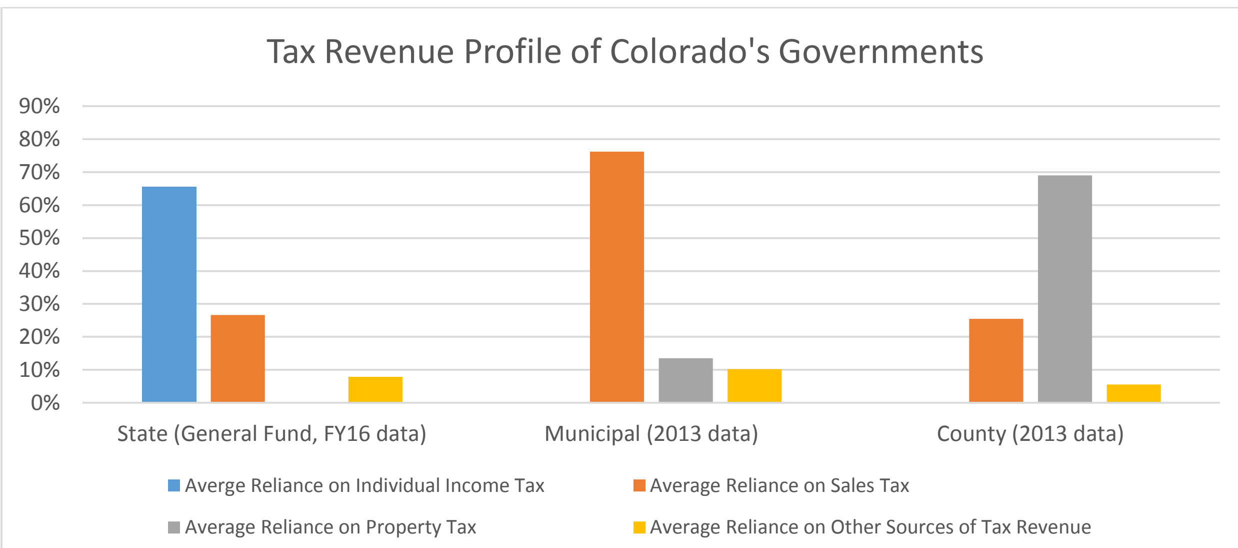

Figure 12. Tax Revenue Profile of Colorado's Governments. Sources: Department of Local Affairs, Local Government Compendium, 2013; Colorado Legislative Council Forecast, September, 2016.

County and Municipal Sources of Non-Tax Revenue

Many local governments have sources of revenue that are not tax revenue sources. Figure 13 and Figure 14 show the average distribution of non-tax revenue by source for Counties and Municipalities. While we know that aging will have direct impact on tax revenue, the impact of aging on the other sources of local government revenue is less clear.

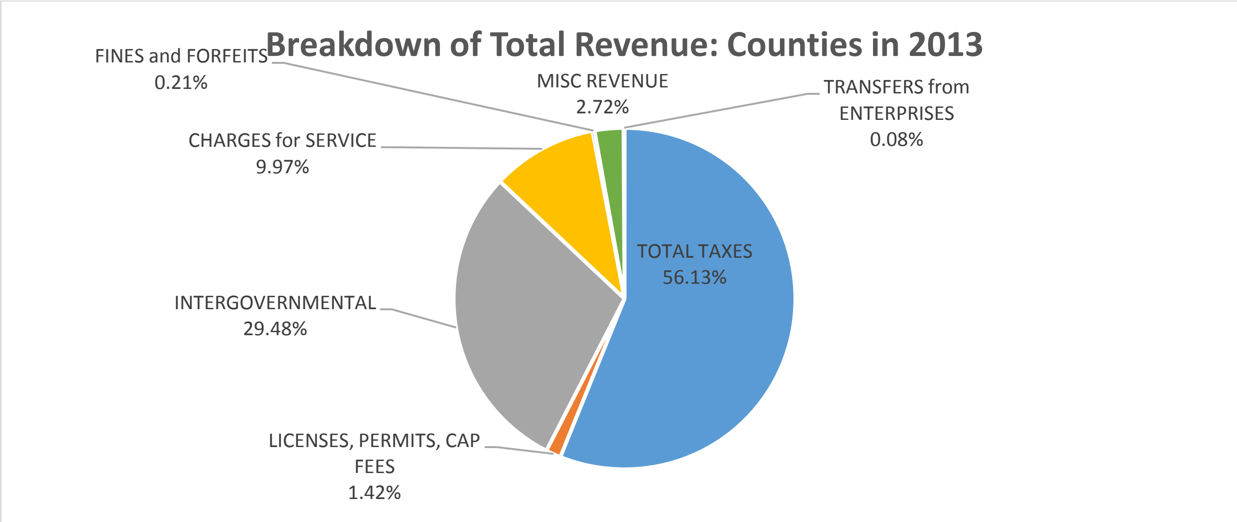

Figure 13. Breakdown of Total Revenue: Counties in 2013. Source: Department of Local Affairs, Local Government Compendium, 2013

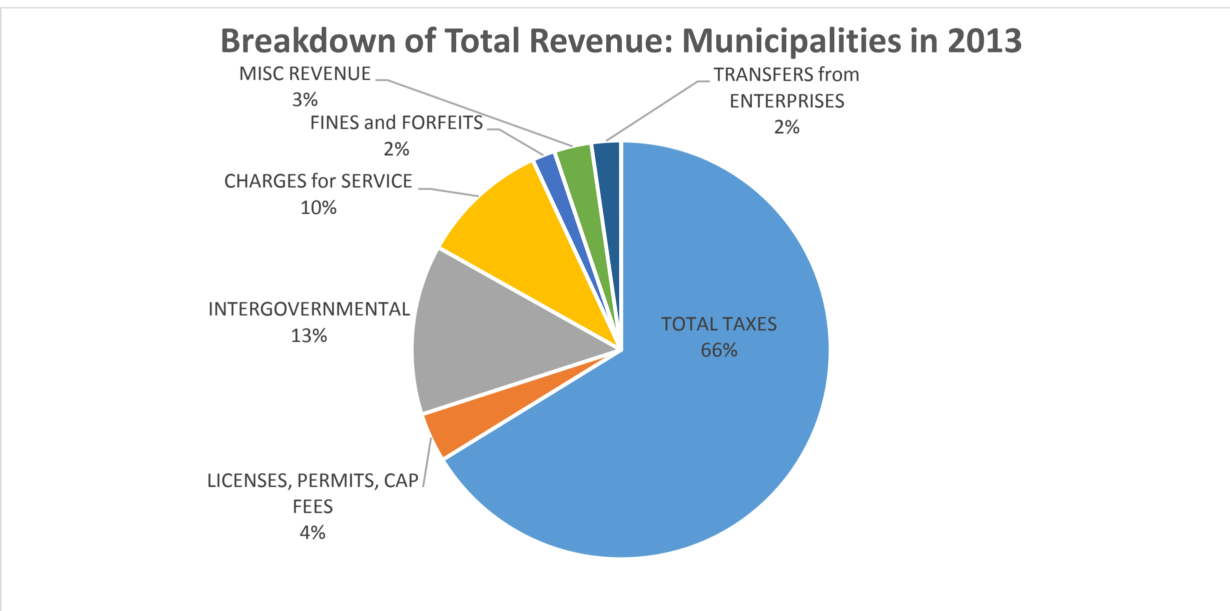

Figure 14. Breakdown of Total Revenue: Municipalities in 2013. Source: Department of Local Affairs, Local Government Compendium, 2013.

The Senior and Disabled Veteran Property Tax Homestead Exemption

In the November, 2000 general election, Colorado voters passed a constitutional amendment granting a property tax exemption for seniors. The exemption is available to qualifying senior citizens and the surviving spouses of seniors who previously qualified. The three basic requirements are; 1) the qualifying senior must be at least 65 years old on January 1 of the year in which he or she qualifies; 2) the qualifying senior must be the owner of record, and must have been the owner of record for at least ten consecutive years prior to January 1; and 3) the qualifying senior must occupy the property as his or her primary residence, and must have done so for at least ten consecutive years prior to January 1. In November of 2006, disabled veterans were added to the program, and in 2015, the surviving spouses of disabled veterans were added. For all those who qualify, 50 percent of the first $200,000 of actual value of the applicant's primary residence is exempted. The state is required to reimburse county treasurers for the revenue lost by local governments. It is important to note that the General Assembly has the authority to reduce the percentage of assessed valuation threshold from 50 percent of the first $200,000 in value downward as far as 0 percent. This allows the state to reduce or eliminate the need to fund the costs of the exemption borne by local governments in years when sufficient state funds are not available. This option was exercised during the last two recessions. However, in years in which the General Assembly opts to fund the exemption, there is a direct impact to the state General Fund.

For fiscal years 2002-03, 2006-07 through 2008-9, and 2012-13 through 2015-16, the state fully reimbursed local government revenue losses resulting from the program. In fiscal years 2003-04 through 2005-06, the General Assembly reduced the exemption percentage to 0 percent, thus suspending the exemption as well as the requirement for the state reimbursement, and in fiscal years 2009-10 through 2011-12, only the disabled veteran program was funded.

In 2015, 239,106 properties owned by seniors and 4,235 properties owned by disabled veterans qualified for the exemption. Figure 15 below compares the cost of state reimbursement to local governments under the program from FY 2002-03 through FY 2015-16 to the over age 65 population during the period. For fiscal years 2005-06 through 2008-09 and fiscal years 2012-13 through 20015-16, costs for the disabled veteran program constitute less than 2 percent of the total cost for local government reimbursements.

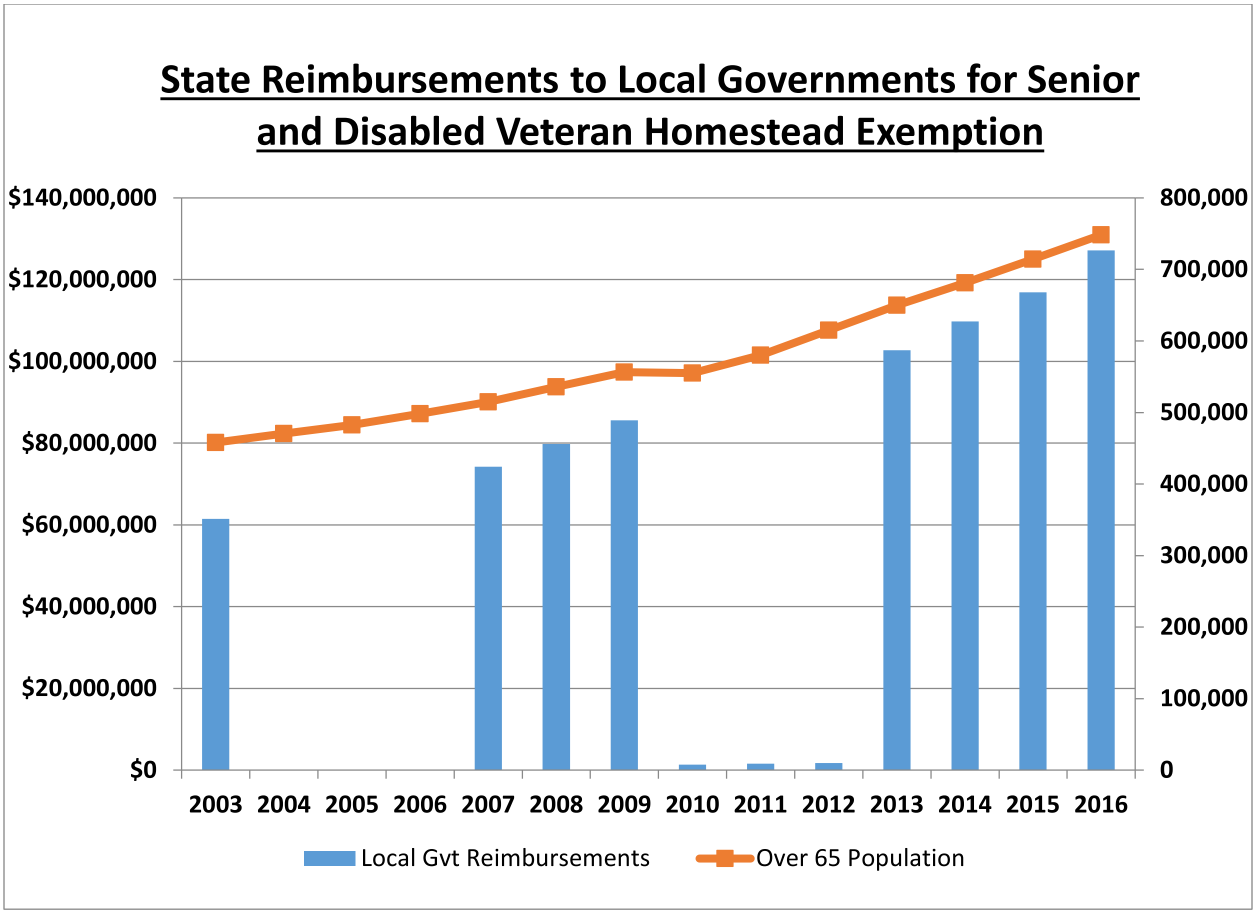

Figure 15. State Reimbursements to Local Governments for Senior and Disabled Homestead Exemption Source: Colorado Department of Local Affairs, Division of Property Taxation Annual Reports and State Demography Office forecasts

Methodology

Assuming full funding for the program, five factors are considered to affect the cost of the program:

1. Growth in the qualifying senior population;
2. Growth in residential property values;
3. Growth in local government property taxes;
4. The exemption limit of $100,000 of valuation for each qualifying property; and
5. The requirement that the owner must have been the owner of record and continuously occupied the property for the prior 10 consecutive years.

The first 3 of these factors cause growth in the cost of the program while the last 2 factors work to dampen the growth to some extent. As the number of qualifying seniors and disabled veterans increases, more properties will become qualified to receive the exemption, and as residential property values increase, the value of each exemption rises. In addition, as property tax mill levies increase, the tax benefit of each exemption rises so there continues to be a growing loss of revenue to local governments and corresponding need for the state to reimburse local governments. On the other hand, however, once a property's $100,000 limit is reached, further increases in home values do not in and of themselves result in increased costs. Also slowing the growth in cost pressure, as seniors age, they often downsize, losing the exemption entirely due to the 10 consecutive year prior ownership/residency requirement.

We used two approaches to forecast the impact of aging on the state General Fund. Both approaches use the forecast of percentage increase in the over 65 population from the State Demography Office throughout the forecast horizon of 2030. The first model added our CFC forecast for the Denver Boulder Greeley CPI-All Items to the percentage increase in senior population. This approach assumed that CPI broadly reflects components affecting housing costs and housing cost increases (as housing values and property taxes are likely reflected in the rental equivalence component of housing), but is somewhat distorted by unrelated cost growth or decline in other components of the CPI market basket.

For the second approach, we added percentage increases in our CFC forecast of growth in the valuation of the residential class of property to the percentage increase that the over 65 population exceeded overall population growth calculated from State Demography Office forecasts through 2030. The residential class is comprised of 13 subclasses of property, none of which accurately reflects owner occupied primary residences that meet the 10 year ownership test. Growth in the broad residential property class does however depict the rising housing values which will continually drive up the cost of the homestead exemption.

Comparing the results of both methods to actual program costs since resumption of the program in FY 2012-13, the second method yielded results closer to, but slightly higher than the actuals. As a result, the second approach was dampened by an adjustment factor to forecast the cost of the program through FY 2029-30.

Findings

The burden for the state to reimburse local governments for the lost revenue from the senior and disabled veteran homestead exemption program will grow significantly throughout the forecast horizon of FY2029-30. Our forecast shows the cost of the program will grow from the 2015-16 level of $127.1 million to $297.3 million by FY 2029-30. Cost growth will be as high as 10.7 percent for FY 2016-17 but slow gradually throughout the forecast period to 4.7 percent in FY 2029-30 as growth in the senior population slows. Figure 16 below shows the growth in forecast cost and growth in the over age 65 population during the period.

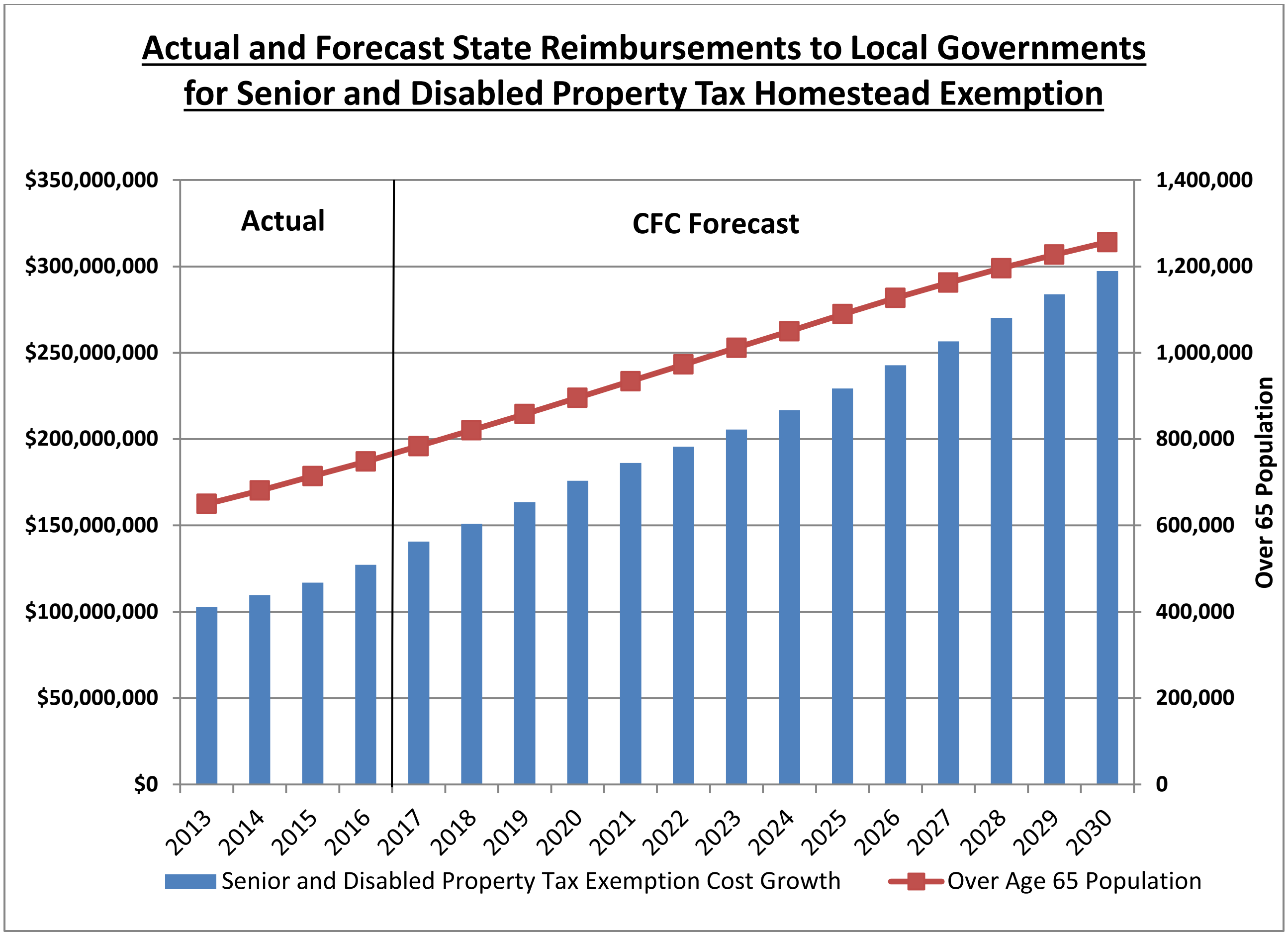

Figure 16. Actual and Forecast State Reimbursements to Local Governments for Senior and Disabled Homestead Exemption Source: Colorado Department of Local Affairs, Division of Property Taxation Annual Reports, State Demography Office forecasts

The Effects of Aging on Colorado's Expenditures

Medicaid

Medicaid is a jointly funded federal/state program to provide medical services to eligible low income populations. In Colorado, Medicaid is administered through the Department of Health Care Policy and Financing (HCPF). HCPF's FY 2015-16 General Fund appropriation of $2.5 Billion represented 26% of the total General Fund and when combined with the $1.03 Billion in cash funds and $5.34 Billion in federal funds, the Medicaid administering agency is the largest department in the state government.

In FY 2015-16, the Medicaid program served 1.278 million Coloradans. With the state population averaging just over 5.49 million over those two years, the Medicaid program currently serves between one in five and one in four Coloradans. Of those served, just over 75,000 or 3.09% of the Medicaid population received eligibility as Adults 65 and Older (OAP-A) or Partial Dual Eligibles[3], the cohorts serving aged Coloradans. Yet, expenditures for these two cohorts represented 16.73% of total Medicaid expenditures in FY 2015-16. Covered populations in these two cohorts receive services including long term care (including nursing home and home based care), assistance with Medicaid premiums and copays for low income elderly populations, acute care for the Medicare ineligible, durable medical equipment and other home based and community services. As Colorado's population ages, providing these services will place additional strain on the Medicaid and ultimately the state budget. The remainder of this section covers the magnitude of the anticipated pressure on the Medicaid budget.

Methodology - Forecasting Aging Pressures on Medicaid

Medicaid expenditures are driven by two main factors: the number of covered participants in the program and the per capita cost of providing service. Our forecasts project each of these components separately.

Forecasting the cohorts of Medicaid enrollees

HCPF maintains and regularly updates Medicaid cohort forecasts. At the time of this analysis, the HCPF forecasts had a horizon of FY 2017-18 with actual data through FY 2014-15. For this analysis, the HCPF forecast through FY 2017-18 was used as the jumping off point for the forecast through FY 2029-30.

Similar to the HCPF approach to forecasting caseloads, we used a series of methodological approaches to establish candidate long-term forecasts including ones based on trend, the relationship to the growth rates forecast by the Colorado State Demography Office for the reference populations for each of the cohorts, and historical and short-term HCPF projected rates of growth for the relevant cohorts. From that process, we developed baseline cohort forecasts for all eligibility groups. In particular interest to this analysis are the forecasts for the aged cohorts - Adults 65 and Older (OAP-A) or Partial Dual Eligibles.

These baseline forecast assumptions were then evaluated against the previous long-term Medicaid forecasts we completed in our previous work including a 2012 study of Medicaid expansion and the more recent 2013 study of the long term fiscal sustainability of Colorado state government. In addition, the forecast assumptions were reviewed by other Medicaid experts in the state**.** Both review approaches ultimately helped support the selection of the selected forecast approach.

Our forecast approaches for the two aged cohorts are as follows:

<u>Adults 65 and Older (OAP-A)</u> – For this cohort, we assumed a 2% annual growth rate from the end of the HCPF forecast in FY 2017-18 until FY 2029-30. Historically this cohort had been growing at a rate of just of 1.5% annually. Increasing the long term growth rate to 2% resulted in a more reasonable forecast of

[3]The Congressional Budget Office glossary contains the following definition of partial duals "Dual-eligible beneficiaries who qualify to have Medicaid pay some of the expenses they incur under Medicare. For all partial duals, Medicaid pays the premiums for Part B of Medicare (and for Part A, if applicable). For some partial duals (depending on the state they live in and their income and assets), Medicaid also pays part or all of the cost-sharing amounts they owe under Medicare." See https://www.cbo.gov/publication/44309.

the share of the reference population of adults 65 and over who will be Medicaid eligible in the future. With a growth rate of 2% to the year 2030, the adults over 65 cohort grows from the current level of 42,218 to 54,723 in 2030, but with a resulting fall in the share of the reference population from 5.77% to 4.41%.

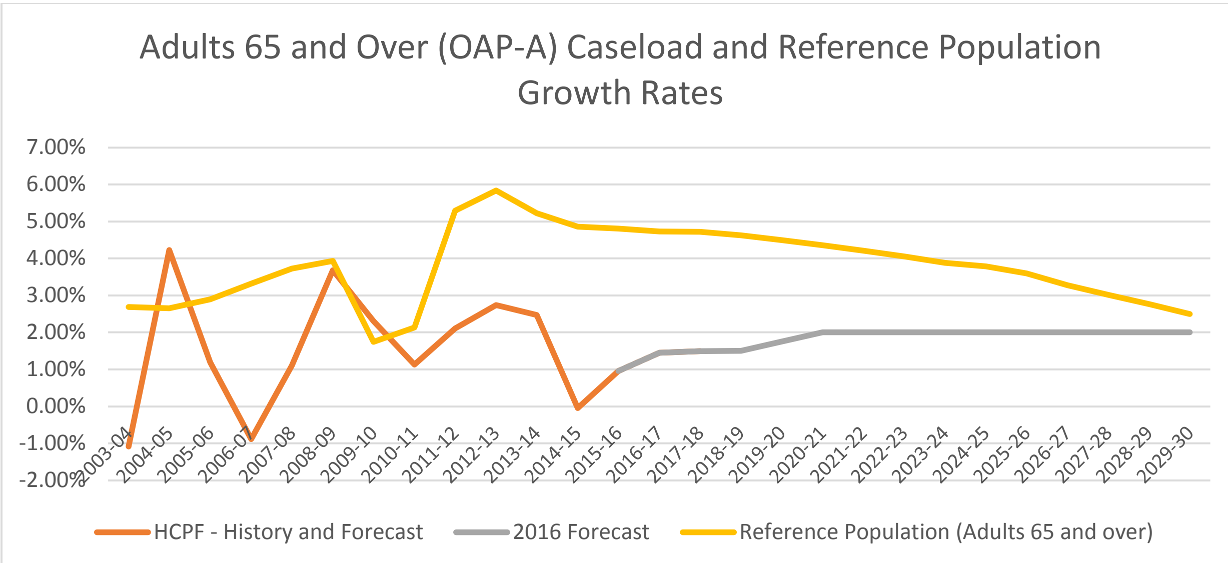

Figure 17. Adults 65 and Over (OAP-A) Caseload and Reference Population Growth Rates. Source: Colorado Department of Health Care Policy and Financing, Colorado Futures Center forecast, State Demography Office.

Partial Dual Eligibles – We modeled this cohort with an econometric relationship to its underlying population of adults 65 and over. This forecast yielded a reasonable cohort forecast that grew from 32,835 in FY 2015-16 to 79,293 in FY 2029-30 and with cohort growth rates falling to a more sustainable range of 3.5% at the end of the forecast horizon. Historically dual eligibles have grown faster than the 65 year and over cohort.

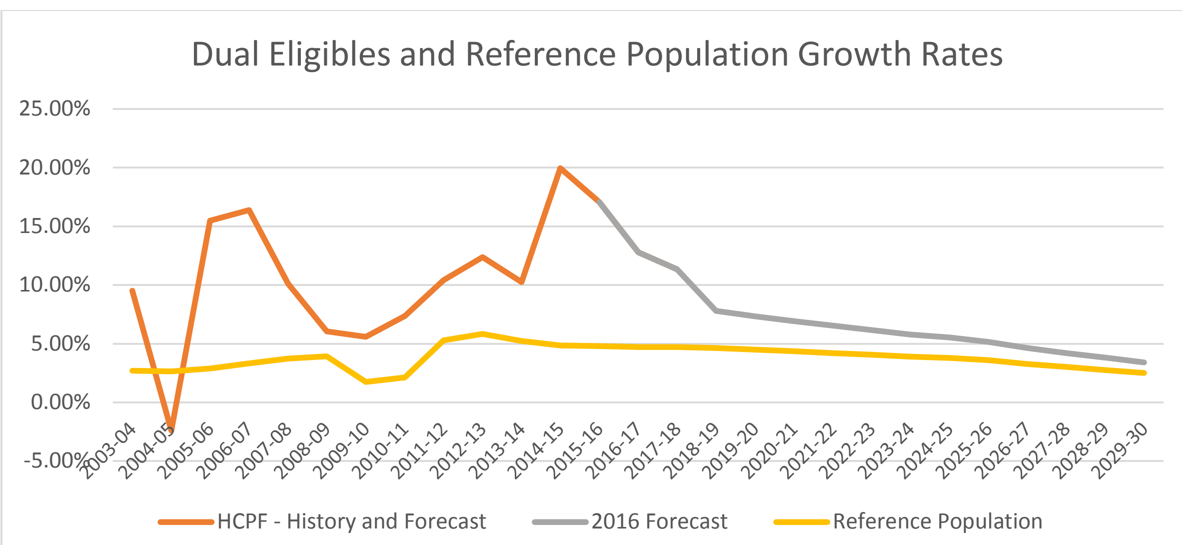

Figure 18. Dual Eligibles and Reference Population Growth Rates. Source: Colorado Department of Health Care Policy and Financing, Colorado Futures Center forecast, State Demography Office.

Forecasting per capita costs

Most long term forecasting of cost inflation for Medicaid follows the methodology of the Congressional Budget Office which inflates costs program-wide by multiple of the base level of inflation in the overall economy. In our previous work on Medicaid, we too have followed the methodology of the Congressional Budget Office. For this analysis, however, that approach was not appropriate because it masks the difference in inflationary pressures in per capita costs among the cohorts of eligibility. Particularly germane for this project, the cohorts affected by aging tend to inflate at rates that exceed all other cohorts except for the disabled populations.

HCPF recognizes the need for granularity in the inflation forecasts, and provides three year forecasts of per capita costs by eligibility cohorts. For this analysis, we used HCPF's forecast through 2018 and then held the out-year inflation forecast constant at the last year of HCPF's forecast. The one exception was for cohorts for which the last year of the forecast was for negative rates of inflation. In those cohorts, we assumed no cost growth to 2030.

How will Aging Pressure Medicaid in Colorado?

Aging will pressure Medicaid in two distinct and interrelated ways. First, the covered individuals in the aging related cohorts are forecast to be among the fastest growing cohorts out to the year 2030. While the total program enrollment is projected to grow at 1.67% in 2030, Adults 65 and Over and Partial Dual Eligibles are projected to grow at 2% and 3.42%, respectively.

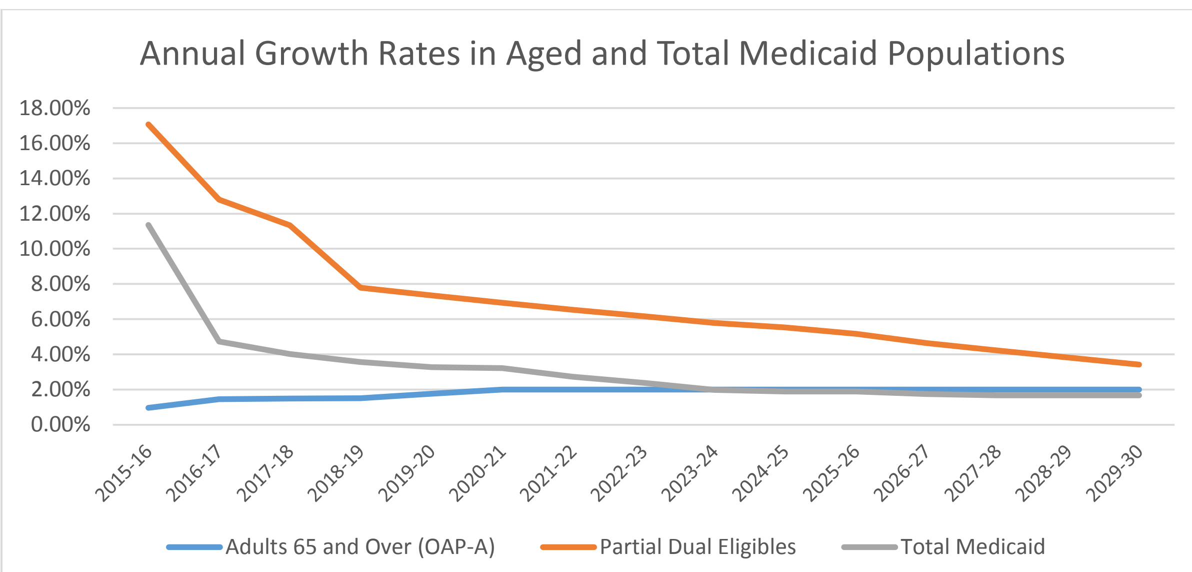

Figure 19. Annual Growth rates in Aged and Total Medicaid Populations. Source: Colorado Department of Health Care Policy and Financing, Colorado Futures Center forecast.

As a result, aged enrollees as a share of the total enrollees in the program are projected to increase from 3.09% presently to 3.69% in 2030.

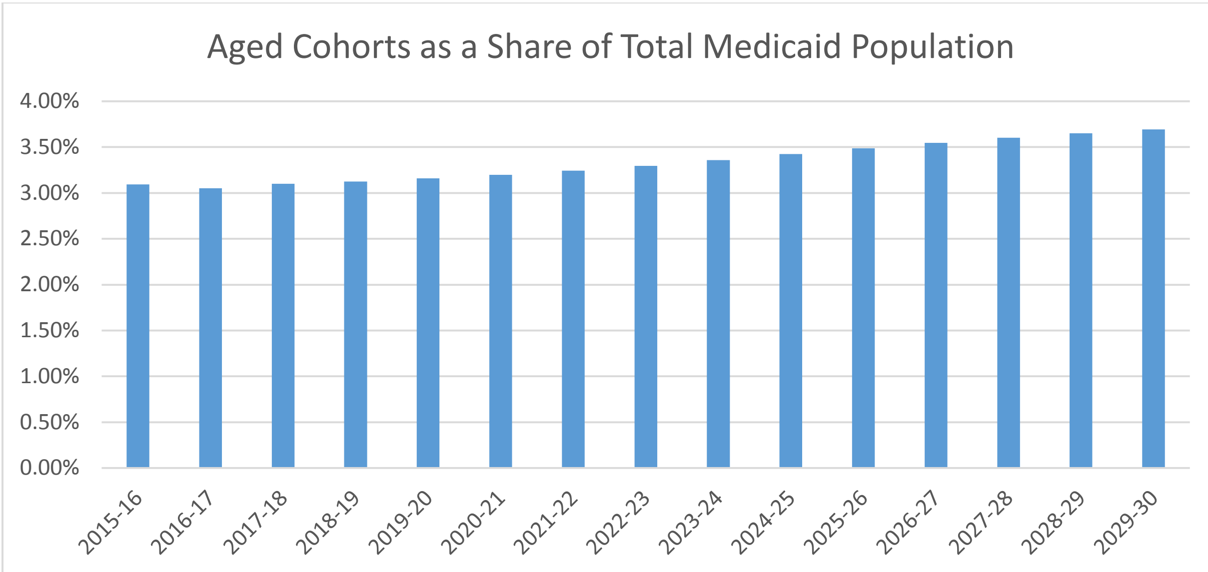

Figure 20. Aged Cohorts as a Share of Total Medicaid Population. Source: Colorado Futures Center forecast

And, costs per enrollee to cover the age related cohorts are forecast to be among the fastest to inflate. As demonstrated in the graph below, only the per capita medical services premium costs for the foster care cohort are projected to inflate at a rate in excess of the two aged cohorts. While costs for the aged in the mental health are not projected to inflate as at rapid a pace, the mental health program is a much smaller portion of the total Medicaid program than the medical portion.

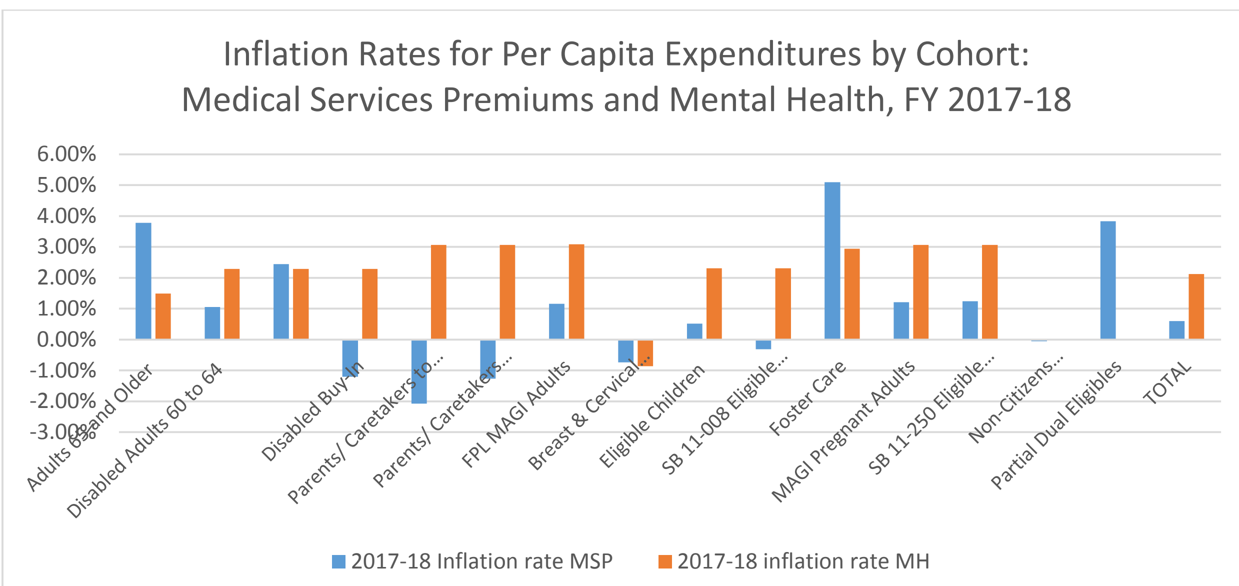

Figure 21. Inflation Rates for Per Capita Expenditures by Cohort: Medical Services Premiums and Mental Health, FY 2017-18. Source: Colorado Department of Health Care Policy and Financing

Taken together, these two pressures result in the finding that age related expenditures in Medicaid will grow from 16.73% of total expenditures today to 21.7% in 2030. By 2030, over one out of every five dollars spent in the Medicaid program will be spent on the aged populations and total

expenditures for the aging cohorts are projected to grow from just over $1.04 Billion in FY 2015-16 to just over $2.325 Billion in FY 2029-30, an increase of more than 100% in 15 years. Currently the state funding for the age-related Medicaid cohorts comes from the General Fund. With no changes to this policy, the impact of aging on Medicaid expenditures will directly impact the General Fund.

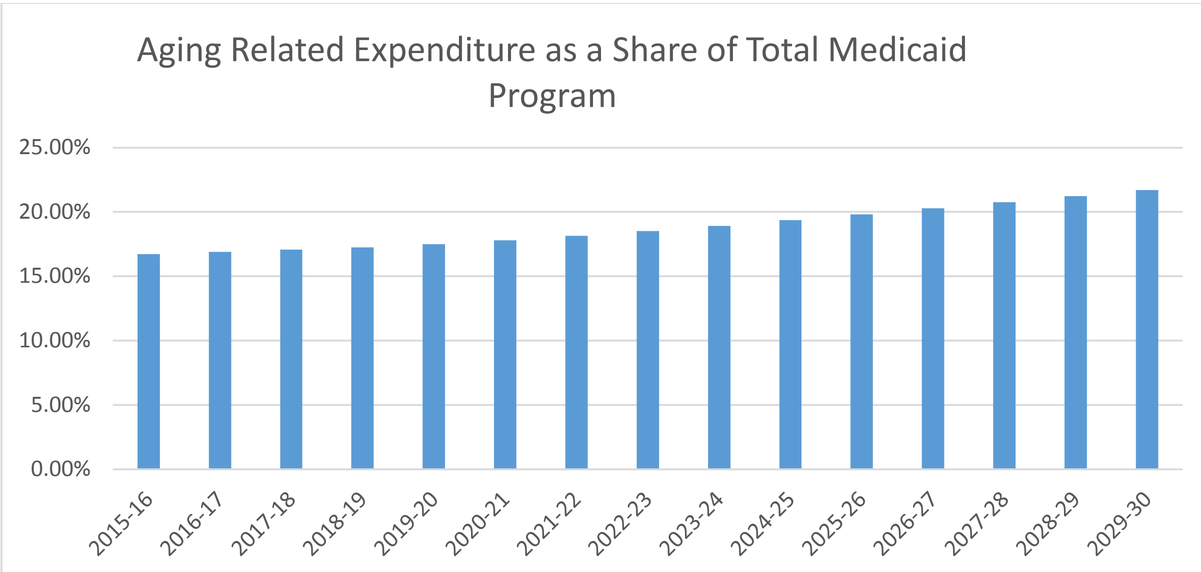

Figure 22. Aging Related Expenditure as a Share of Total Medicaid Program. Source: Colorado Futures Center forecast

Finally, it is important to note that the Medicaid expansions undertaken by the state in HB 09-1293 and SB 13-200 are serving to dilute the impact of the growing share of aging in the Medicaid program. Because many more Coloradans under the age of 65 received and are projected to receive coverage through these two expansions, the aged share of total program is less than it would had been had the expansions not occurred. Figure 23 shows that aging related spending would have reached almost 29% of total program expenditures in FY 2029-30 had expansion not occurred.

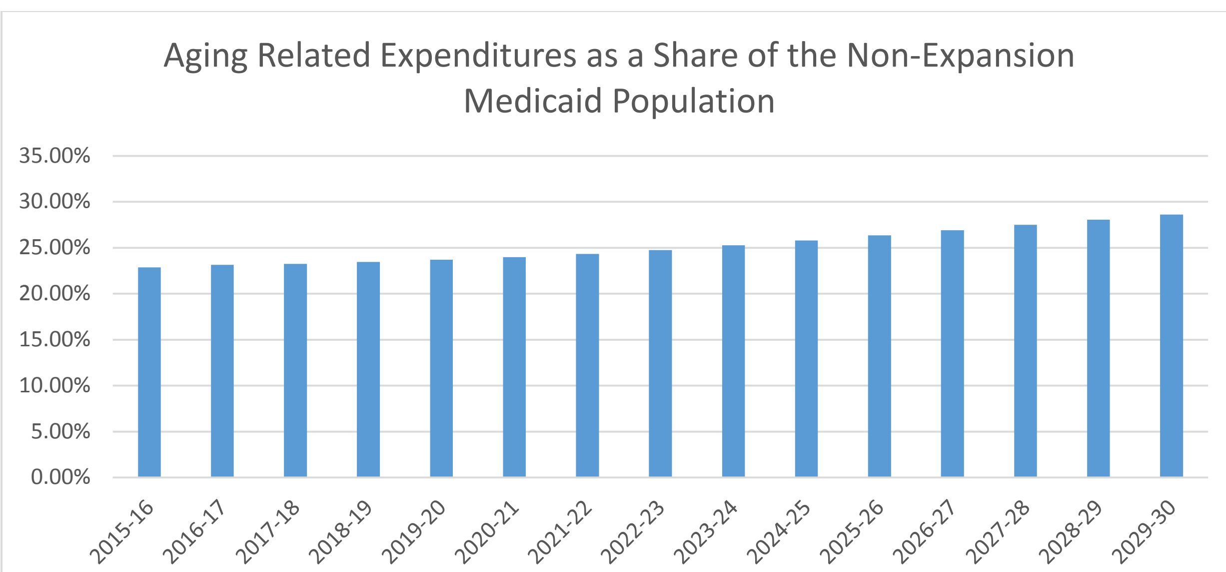

Figure 23. Aging Related Expenditure as a Share of Non-Expansion Medicaid Program. Source: Colorado Futures Center forecast

Other State Departments

The aging of Colorado's population has a significant and increasing impact on the programs, services and budgets of multiple state departments. In fact, it is difficult to identify any state department that is not affected in some way by the growth in the number of older Coloradans. While some programs are age-specific and it is possible to clearly identify the fiscal impacts and implications for state government (e.g. the Old Age Pension, State Funding for Senior Services), more frequently the impact of the aging population is experienced as part of budgets and programs that are not age-specific, and are funded through multiple sources of revenue – federal funds, fees, cash funds, general tax revenues, or private and public grants (e.g. housing, transportation, professional and facility licensing, behavioral health).

As demonstrated on the Table 4, the 80+ cohort is the fastest growing segment of Colorado's population, and it is this age group that is most likely to need support services that are funded in whole or part from public resources. The purpose of this section of the report is to identify key program areas within state government where that impact is likely to be seen.

Table 4. Colorado Population Increases Compared to Increases for Selected Senior Cohorts

Year	Total CO Population	Population Incr.	% Incr.	65+ Population	65+ Incr.	% Incr.	80+ Population	80+ Incr.	% Incr
2000	4,338,785			417,987			104,552		
2015	5,443,555	1,104,770	25.4	714,448	296,461	70.9	166,751	62,199	59.5
2030	6,970,593	1,526,978	28.1	1,256,291	541,843	75.8	332,580	165,829	99.4
2000 to 2030		2,631,748	60.7		838,304	200.5		228,028	218.0

Source: Colorado State Demography Office

In our effort to identify the fiscal commitment of the state of Colorado to programs serving older Coloradans, we reviewed each state department's website to identify programs that were known to serve older Coloradans, reviewed the annual State Appropriations Acts (the "Long Bill"), and consulted with about two dozen program managers in multiple state departments. It became clear that an accurate and complete quantifying of the fiscal impact resulting from the aging of Colorado's population across the programs of state government would be very difficult to accomplish. Instead, we determined that a more realistic task within available time and resources was:

1. to identify several programs directed specifically to older adults and where age-specific data are available; and
2. to identify several program areas within state government where services to and for older persons are included within the broader mission of the agency or program - but where age-specific data are not available to accurately assign a specific amount to services for older adults.

We acknowledge that this section of the report represents just a partial recap of the impact of the aging of Colorado on the programs, services and budgets of state government. For instance, the report does not include programs and services for older Coloradans in the Departments of Law, Higher Education, Public Safety, Regulatory Agencies, and other Departments – each of which have services for older adults. Although time and resources did not allow a total survey of all state agencies, the report provides verification that the impact of the growth of Colorado's older population is experienced throughout state government.

AGE-SPECIFIC PROGRAMS

Old Age Pension Program - Department of Human Services (DHS)

Colorado's Old Age Pension Program (OAP) is a state entitlement program that provides cash assistance to Colorado residents over the age of 60 who meet income and resource eligibility criteria. The OAP was established in 1937 by a constitutional initiative passed in the election of 1936. The original monthly payment amount was $45. The 2016 maximum grant payment for an individual is $771. Other income available to that person (e.g. Social Security) reduces the OAP payment by a similar amount. Average monthly benefit amounts over the past 15 years have ranged from $166 in FY 2000/01 to $337 in FY 2015/16. Cost drivers include: the number of eligible individuals who apply for the program; the average monthly payment per individual; and annual cost of living adjustments – generally matching federal COLA adjustments for Social Security and Supplemental Security Income.

Table 5. Old Age Pension Program Expenditures, Average Caseload, and Average Monthly Grant in 5 Year Increments

State Fiscal Year	Expenditures	Average Caseload	Average Monthly Grant
2000/01	$48,516,132	24,349	$166.04
2005/06	$71,965,702	24,370	$231.95
2010/11	$78,342,018	22,953	$284.43
2015/16	$93,355,468	23,058	$337.39

Source: Colorado Dept. of Human Services.

Article XXIV of the Colorado state constitution assigns authority for the program to the State Board of Human Services. The Board determines eligibility criteria and maximum monthly grant payment amounts. Excess revenues generated by the OAP tax sources specified in the constitution that are not required for the program "spill over" into the General Fund (GF) and are a major source of revenues for the overall state budget. Therefore, every dollar spent on the OAP is a dollar not available for the GF.

There are two major categories of OAP recipients: those age 60-64 ("OAP B") and those age 65 and older ("OAP A"). Although Colorado has experienced a 71% growth in the total number of persons aged 65+ between 2000 and 2015, the average OAP caseload declined by 5.3%. Total expenditures have increased by $44.8 million over that same period. While there has been a decrease in the total recipients of the OAP, there has been an increase over the past several years in the number of OAP B recipients. Between 2010 and 2015, those on OAP A decreased 8.2%, from 17,627 to 16,176, while those on OAP B increased 29.4% from 5,316 to 6,880. OAP B recipients generally rely more heavily on the OAP than those on OAP A, with average monthly payments in 2015 being $514 for those on OAP B, and $262 for those on OAP A.

Older Americans Act – DHS

The federal Older Americans Act was first passed by Congress in 1965, the same year that Medicaid and Medicare were established. The Act creates an "Aging Network" of state and local agencies to plan and deliver a wide array of community-based services to persons over the age of 60 – with the targeting of its resources to those of the greatest social and economic need. Colorado's "State Unit on Aging" is part of the Department of Human Services, and 16 "Area Agencies on Aging" (AAAs) are responsible for the planning and delivery of services in local communities throughout the state. Colorado receives an annual grant from the federal Department of Health and Human Services based on our state's percentage of the nation's 60+ population. The state in turn allocates dollars to each of the AAAs based on a formula that includes the following criteria: over age 60, older adult minorities, older adults in poverty, individuals over age 75, and older adults living in rural areas. There are both state and local matching requirements for administration and service delivery as a condition of eligibility for the federal funds. While the program is not an entitlement, and is not means tested, its resources are targeted to individuals at greatest social and economic need. The average age of persons served through the program is 78. In this past fiscal year, over 50,000 unduplicated individuals were served. Service priorities for funding are determined by a needs assessment process that includes the input of local consumers of service.

A summary of the funding levels for the Older Americans Act since 2000 is noted in Table 6 below:

Table 6. Older Americans Act Funding Since FY 2000-01

Older Americans Act	
2000/01	8,398,855
2005/06	12,493,086
2010/11	13,146,733
2015/16	15,694,979
2016/17	16,240,345

Source: Department of Human Services

Future funding levels for the Older Americans Act will depend primarily on two factors: the level of appropriation determined by the federal budget; and Colorado's percentage of the nation's population of persons over the age of 60.

State Funding for Senior Services – DHS

In recognition of the need for additional resources beyond the Older Americans Act to meet the needs of older Coloradans, and with the effective state legislative advocacy of groups such as the Colorado Senior Lobby and AARP who formed an "Older Coloradans Coalition," the legislature passed HB00-1072 in 2000 session of the General Assembly. The bill created "The Older Coloradans Program" and the "Older Coloradans Cash Fund" (OCCF). The appropriations clause for HB00-1072 appropriated $3 million into the OCCF from the OAP sales and use taxes prior to excess revenues spilling over into the General Fund. The bill specified that the funds were to be distributed by a formula to the Area Agencies on Aging (AAAs), adding to the funds they received under the federal Older Americans Act. Although the funding for the monthly cash assistance to persons eligible for the Old Age Pension is not subject to appropriation by the General Assembly, but is shown in the Long Bill "for informational purposes only," HB00-1072 specified that the OCCF is subject to appropriation. The original language in that bill limited the use of the funds to one-time purposes that "would not create a need for ongoing state funding." That limitation was removed in a subsequent session, and the OCCF has become a major source of state support for community based services through the AAAs. It is identified in the Long Bill as "State Funding for Senior Services" (SFSS). Since funds appropriated from the OCCF are in essence dollars that do not spill over into the GF, the General Assembly has chosen over the years to appropriate additional funding for the SFSS from both the GF and the OCCF. Table 7 shows the growth of this funding over the past 16 years. The appropriation for SFY 2016-17 is approximately half GF and half "cash funds" from the OCCF.

Table 7. State Funding for Senior Services

State Funding for Senior Services - SFSS	
2000/01	3,000,000
2005/06	3,142,041
2010/11	9,108,282
2015/16	20,953,663
2016/17	22,831,104

Source: CDHS & State Appropriations Acts

Since both the Older Americans Act and the State Funding for Senior Services are available for virtually identical services for older Coloradans through the Area Agencies on Aging, Table 8 shows the progression of total combined funding of federal and state dollars for community-based senior services.

Table 8. Total Older Americans Act and State Funding for Senior Services

Total OAA and SFSS Funding	
2000/01	11,398,855
2005/06	15,635,127
2010/11	22,255,015
2015/16	36,648,642
2016/17	39,071,449

Source: CDHS & State Appropriations Acts

While age is not the sole determinant of the growth of OAA and SFSS program funding, it is the major driver for expenditures in both of these programs. By holding all other economic and demographic drivers constant and interpolating the growth of historical funding, we find that the greatest age related pressures on these programs is happening currently and through the remainder of the decade. In the 2020s and through to 2030, age related pressure alone begins to abate and the real growth rates are projected to return to historical rates experienced by the state before the beginning of the retirement of the baby boom generation.

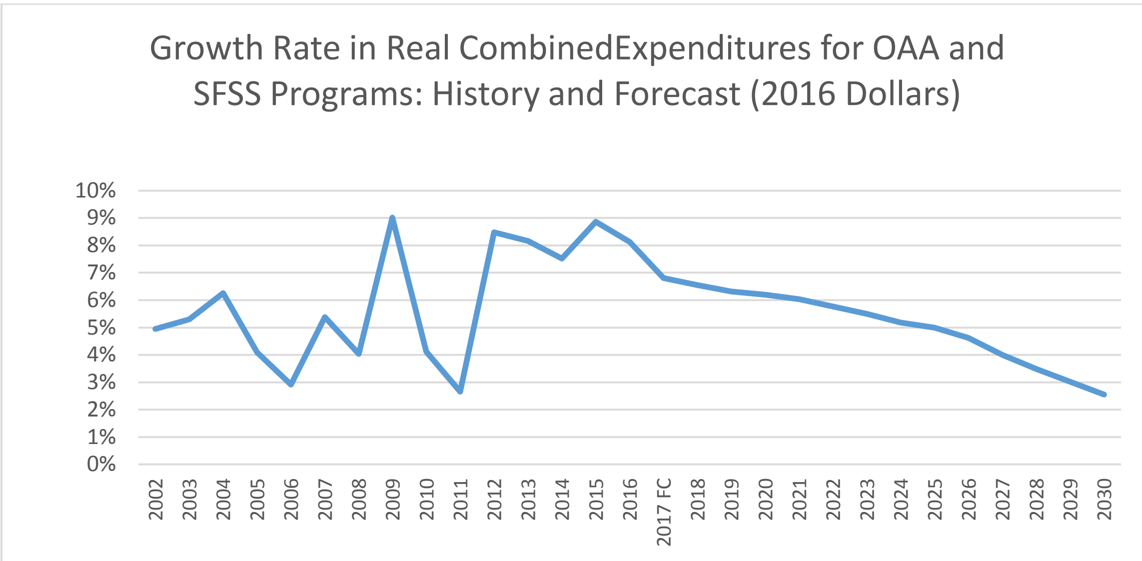

Figure 24. Growth Rate in Real Combined Expenditures for OAA and SFSS Programs: History and Forecast (2016 Dollars). Source: CDH and Appropriations Acts, Colorado Futures Center Forecast

Colorado Dental Health Care Program for Low Income Seniors – Department of Health Care Policy and Financing (HCPF)

This program, formerly the Old Age Pension Dental Program, was transferred from the Department of Public Health and Environment to the Department of Health Care Policy and Financing (HCPF) with the passage of SB14-180. Although the Program originally limited eligibility to persons receiving the OAP cash assistance grant, in recognition of the recent inclusion of dental benefits under the Medicaid State Plan, SB14-180 specified that the program was to serve low income persons over the age of 60 are economically disadvantaged and who do not have or qualify for any other dental insurance – such as Medicaid. Under rules recommended by the Dental Advisory Committee and adopted by the Medical Services Board, the term “economically disadvantaged” was denoted as a maximum income of 250% of the most current published Federal Poverty Level (FPL), thereby aligning with eligibility for Colorado’s Indigent Care Program. Unlike Medicaid, the program is not an entitlement, so the funding and services are limited to whatever amount is appropriated in the “Long Bill.”

A total of $2,962,510 General Fund has been appropriated each of the two years the program has been operated by HCPF. Although eligibility is up to 250% of the FPL, those actually served in the program are generally at the lower end of that eligibility scale. The Program expended all but $26,265 of the available funds prior to the end of the last fiscal year, and it is anticipated that the appropriation may be fully spent prior to the end of the current fiscal year.

Adult Protective Services – Elder Abuse - DHS

The Adult Protective Services program (APS) investigates and provides services to "at-risk adults." State statute defines an at-risk adult as "an individual eighteen years of age or older who is susceptible to mistreatment or self-neglect because the individual is unable to perform or obtain services necessary for his or her health, safety, or welfare, or lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his or her person or affairs." (26-3.1-101 (1.5) C.R.S.). Overall supervision of the APS Program is assigned to the DHS, and administered locally by county departments of social/human services, who are charged with receiving and following up on reports of mistreatment. Multiple other agencies and individuals may coordinate with county APS programs to conduct investigations into allegations, including District Attorneys, local law enforcement, and Community Centered Boards. Legislation passed in 2013 (SB13-111) specifically created in Colorado's criminal code a mandatory reporting obligation for certain professionals to report suspected abuse, neglect, and exploitation of at-risk elders (persons age 70 and older). That legislation has resulted in an increased focus on protective services to older persons for law enforcement – and is therefore included in this age-specific section. As reported in the 2015 annual report on the APS Program by the DHS, 75% of all reports involved persons 60 years or older, and 57% of total reports involved those over age 70

APS Funding and caseload growth: The passage and implementation of SB13-111 resulted in an increased priority and identification of the funding for Colorado's APS Program. Table 9 contains the statewide county expenditures for receiving, investigating and following up on reported incidents of adult abuse, neglect or exploitation. As is noted, the implementation of mandatory reporting of suspected cases of Elder Abuse resulted in a significant increase in the number of reports and cases from the previous year.

Table 9. Adult Protective Services Funding, Reports, and Cases

State Fiscal Year	Total County Department funding	Growth Rate	# of Reports	# of Cases	Growth Rate
2011-12	$8,503,337		11,000	6483	
2012-13	$9,047,098	4.90%	11,539	6738	3.93%
2013-14	$10,757,532	2.42%	11,818	6760	0.33%
2014-15	$13,249,769	41.28%	16,696	8932	32.13%

Source: 2015 Adult Protective Services 2014-15 Annual Report, DHS

The total funding for the program in 2014-15, including state administrative costs, data tracking system, and $1 million in General Fund support for services that was originally appropriated in SB13-111 was approximately $14.7 million. Table 10 identifies the sources:

Table 10. Adult Protective Services Funding Sources

General Fund	$9.9 million
Local Match (county funds)	$2.8 million
Federal Funds (Title XX)	$1.9 million

Source: 2015 APS Annual Report, DHS

AGING-RELATED SERVICES ACROSS STATE DEPARTMENTS

The growth of Colorado's population of older adults impacts multiple departments, often in programs that serve a broad spectrum of ages, and whose funding comes from multiple sources – making it difficult to isolate the specific amount of funding support provided to older persons. Several examples of the aging impact on other state services and programs are noted below:

Colorado Department of Public Health and Environment (CDPHE) - Health Facility Oversight and Licensing

One of the CDPHE's major responsibilities related to aging is the licensing and oversight of community-based healthcare services provided through long term care facilities and through healthcare and personal care services provided in the individual's home. This responsibility is funded primarily by Medicaid, Medicare, and fees paid by the agencies that are licensed, with comparatively little General Fund support. Their FY 2016-17 funding is outlined in Table 10.

Table 11. FY 2016-17 Health Facility Licensing Funding Sources

Funding Source	Amount (rounded figures))
General Fund	$265K
Cash Funds	$3.8M
Medicaid	$5.4M
Medicare	$5.4M

Source: Colorado Department of Public Health and Environment

Table 12 shows the impact caused in part by the growth of Colorado's older population. Also evident is the preference of individuals for care in their own homes, and for assisted living residences (ALR) over nursing homes.

Table 12. Facility and Bed Counts for ALRs, HCAs, and Nursing Homes: 2012 thru 2016

	07/01/12	07/01/13	07/01/14	07/01/15	07/01/16
ALR	562 facilities, 17,222 beds	569 facilities 17,791 beds	589 facilities 18,993 beds	620 facilities 20,026 beds	645 facilities 21,082 beds
Nursing Home	214 facilities 20,349 beds	217 facilities 20,558 beds	217 facilities 20,565 beds	219 facilities 20,777 beds	222 facilities 20,874 beds
HCA – A (healthcare)	236 facilities	249 facilities	249 facilities	265 facilities	278 facilities
HCA – B (personal care)	311 facilities	317 facilities	347 facilities	366 facilities	381 facilities

Source: CDPHE

The cost of care for individuals receiving facility-based or in-home care comes from a variety of sources, depending on the individual's income, resources, eligibility for Medicaid or Medicare or for VA benefits, and availability of private insurance. Staff from CDPHE point out that as the number of facilities increase, the oversight costs increase as well.

Prevention and Health Promotion Services – CDPHE

The CDPHE also administers an extensive array of prevention and health promotion services for issues that impact older adults. Those services include prevention for:

- falls,
- suicide,
- breast and cervical cancer,
- cardiovascular disease,
- diabetes and other chronic diseases.

Health promotion programs are in the areas of:

- oral health,
- healthy eating and active living,
- immunizations,
- nutrition for adult day care centers and emergency and homeless shelters,
- communicable disease and patient navigators.

The funding for these services relies on available public and private grants, tobacco tax funds authorized under Amendment 35 (2004 ballot issue), and very limited General Fund.

Department of Corrections -DOC

The Department of Corrections also has experienced the impact of the aging of those in their custody, due in part to the effect of longer sentences. The prison population aged 50 and over increased 196% from 2000 to 2016, while the total prison population increased 22.6% during that same period. From 8.2% of the total population in 2000, those aged 50 and over represented 19.8% in 2016. Approximately 90% of the total annual DOC budget is from the General Fund ($756.4M GF of a total appropriation of $843.97M in 2016-17).

Table 13. DOC Prison Population and Population 50 and Older

Date	50+	Total	% 50+
6/30/2000	1299	15,846	8.2%
6/30/2005	2065	20,445	10.1%
6/30/2010	3286	22,617	14.5%
6/30/2015	3849	19,430	19.8%

Source: Department of Corrections; State Appropriations Act – HB16-1405

The aging of those under the jurisdiction of the DOC could drive increased General Fund costs for medical care, and potentially for assistance with personal care, i.e. bathing, dressing, toileting, ambulation, etc. Except for periods of hospitalization for more than 24 hours, Medicaid does not pay for health care for those who are incarcerated. A recent change to Medicaid policy does allow those in community corrections who meet the eligibility criteria to access Medicaid health care services for in-patient hospitalizations.

Department of Transportation - CDOT

CDOT funds the acquisition of vehicles used in enhanced mobility for seniors and individuals with disabilities through a grant process to non-profit community-based providers. Funding sources for the grants include the federal funds, and some from the "FASTER" fund (Funding Advancements for Surface Transportation and Economic Recovery). The services funded through these sources serve both persons with disabilities and older persons. The program does not exclusively target older Coloradans.

Department of Local Affairs (DOLA) – Division of Housing

Affordable and accessible housing options, including housing with supportive services, are one of the most critical basic needs for older adults. The Division of Housing in DOLA provides support for both the construction of housing and for rental assistance for low-income individuals of all ages and for persons with disabilities. This program initially was funded primarily by federal funds. However, as noted in the funding authorized by the annual Long Bill there has been an increase in General Fund support for housing over the past 15 years. The tables below represent estimated amounts of federal funds, and the impact of the passage of HB11-1230. That bill consolidated state programs that distribute federal moneys to persons needing assistance in obtaining housing from other departments into the Division of Housing.

Table 14. Low Income Rental Subsidies

SFY	Federal Funds	General Funds
2000-01	6.5M	0
2005-06	15.4M	0
2007-08	17M	0
2012-13	36.9	0
2015-16	49.4M	1.36M
2016-17	45.4M	2.61M

Source: Annual State Appropriations Acts

Table 15. Affordable Housing Grants and Loans

SFY	Federal Funds	General Funds
2000-01	10.9M	2.6M
2005-06	9.2 M	100K
2007-08	8.9M	1.2M
2012-13	45M	2.2M
2015-16	7.5M	8.2M
2016-17	12M	8.2M

Source: Annual State Appropriations Acts

In addition to the consolidation of housing programs through HB11-1230, a footnote in the Long Bills for FYs 15-16 and 16-17 notes a significant example of interdepartmental collaboration between DOLA and HCPF in services to older and disabled individuals. Colorado has had Medicaid "waivers" for about three decades to provide home-based care in lieu of institutional care. One of the benefits under the waivers is authority to spend Medicaid funds for home modifications that allow individuals to live safely at home (e.g. ramps, bathroom modifications). Since the mid-80's, this benefit has been administered by those whose background is health and personal care for those needing long term services and supports. As reflected in the footnote and appropriations, HCPF and DOLA collaborated to transfer the administration of that benefit from HCPF to DOLA to be administered by those with housing expertise. While a relatively small amount of funds are involved, slightly under $220K annually, it represents the kind of inter-agency collaboration that benefits both older adults and taxpayers.

Other State Programs

The above programs and services, whether they are provided exclusively or primarily to older Coloradans or are provided to a broader spectrum that includes older persons, are in no way an exhaustive listing of state supported programs that are impacted by the increased aging of our population. It was not possible to quantify the amount of state General Fund in all those programs across state government. They are funded from a variety of sources, including General Fund. A sampling from a review of the 2016-17 Long Bill includes:

- The Adult Education and Literacy Grant Program in the Department of Education
- Library Programs also in DOE, including the Talking Book and Reading Services for the Blind
- Mental Health, Substance Abuse and Suicide Prevention services in the CDHS – with special efforts such as “Senior Reach” seeking to make behavioral health services more accessible and acceptable to older adults
- Supplemental Nutrition Assistance and USDA commodities programs in the CDHS and CDPHE departments that are targeted to low income and older individuals
- Low Income Energy Assistance in the CDHS
- Older Blind Grants in the CDHS
- State Veterans Community Living Centers in the CDHS
- The Home Care Allowance Program in the CDHS
- Legal Services for District Attorneys and courts in the Judicial Branch due to strengthened Elder Abuse criminal statutes
- Programs that target older workers in the Department of Labor and Employment and in CDHS
- Consumer Protection efforts in the Department of Law
- Disabled Parking education and advocacy in the Office of the Governor
- Non-Medicaid Indigent Care and the OAP State Medical Program in HCPF
- Occupational Education and other specially targeted continuing education and training programs in the Department of Higher Education
- The Western Slope Veterans Cemetery in the Department of Military and Veterans Affairs
- Senior Citizen Fishing Licenses and other benefits for older persons in the Department of Natural Resources
- Local Public Health Agencies and Nursing Services through the CDPHE
- The Victim Assistance Program in the Department of Public Safety
- Licensing or certification of thousands of health care professionals and personal care providers through the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA)
- The Senior Health Counseling Program in the Division of Insurance in DORA
- The Disabled Telephone Users Fund in DORA

Conclusion

Our study task was not to conduct a budget exercise, but instead to analyze the specific impact of aging on state revenues and expenditures. For each of the individual analyses that make up this report we made the specific assumptions that best allowed us to isolate the impact of aging. For the analyses of income and sales tax revenues, in order best to isolate the impact of aging, we held all other economic and demographic factors constant. For the Medicaid analysis, we factored in the impact of health care inflation with specific attention to the fact that health care costs are rising more rapidly for the over 65 cohorts than the general Medicaid population. As a result, we can't present an overall comparison of the effects of aging on the growth rates in revenues and expenditures. However, we can highlight major trends in revenues and expenditures as they relate specifically to the impact of aging. In these analyses we found the following are-related trends:

- Sales Tax – The annual growth rate in real sales tax revenue will decline from a high of just over 1.85% in 2018 to just over 1.55% in 2030.
- Income Tax – The annual growth rate in real income tax revenue will fall from just under 1.65% in 2016 to just under 1.45% in 2030
- Medicaid - Age related expenditures in the Medicaid program will grow from 16.73% today to 21.7% of total expenditures in 2030.
- Senior Property Tax Exemption – Annual growth rates for the exemption will vary from a high of 10.7% in FY 2016-17 to 4.7% by FY 2029-30

The bottom line - aging will have a real but modest effect on state revenue growth rates. Because Colorado is projected to be a growing state, total revenue will continue to increase, albeit at a slowing rate. However, at the same time, aging will place increased expenditure pressure on the state budget. The largest growth rates in the 65 and over cohort are projected to occur by the end of the current decade. This will place additional expenditure pressures on the budget immediately. While growth rates in the 65 and over cohort are projected to slow after 2020, many of the expenditure pressures will continue to increase even as the full 65 and over cohort continues to age.

Strategic Action Planning Group on Aging

Initial Strategic Action Plan on Aging for Colorado

November 29, 2016

Action Plan produced by

KEYSTONE
POLICY CENTER

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Executive Summary

Colorado's aging population is projected to grow at an unprecedented rate through 2030. This demographic shift is already reshaping Colorado, with its 65-and-over population growing 29 percent between 2010 and 2015 — the third fastest rate in the nation.[1] This growth is forecast to continue with Colorado's population aged 65 and over projected to rise by more than 508,000 — an increase of 68 percent — by 2030.[2]

This trend will affect every facet of daily life for millions of Coloradans — from the economy to transportation systems to the workforce. Indeed, Colorado stands at the edge of a demographic shift that will redefine it for generations to come.

Living and aging well can mean different things depending on the diversity of individuals and communities, but many agree it is the state of being surrounded by people they value, in a community where they belong, and with opportunities to make meaningful contributions. The Centers for Disease Control and Prevention defines aging in place as "the ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level."[3]

This change presents opportunities and challenges alike. To ensure Colorado seizes these potential benefits and confronts problems before they arise, the General Assembly and Governor's Office created the Strategic Action Planning Group on Aging (SAPGA). Its mission is to lay out not only a vision for Colorado through 2030, but also to illuminate a path forward.

SAPGA's members represent a diverse array of experts on issues vital to Colorado's aging population and its emerging needs. They represent communities across the state.

This initial strategic action plan is the result of more than a year's worth of rigorous discussion, research, and debate. This plan lays out how policymakers and other key stakeholders, including community leaders and local government, can ensure Colorado is a place where everyone — regardless of age — can live life on their own terms, stay engaged, and thrive throughout their lives.

This plan is divided into three sections: an introduction, a vision for Colorado, and recommendations. Each section lays out a case for rethinking facets of Colorado's approach to aging and builds toward SAPGA's initial recommendations, which include:

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[1] Colorado State Demography Office, Aging in Colorado Part 1: Why is Colorado Aging So Quickly? October 2016, https://demography.dola.colorado.gov/crosstabs/aging-part-1/

[2] Colorado State Demographer's Office projections, https://demography.dola.colorado.gov/population/data/race-forecast/

[3] Centers for Disease Control and Prevention, Healthy Places Terminology, https://www.cdc.gov/healthyplaces/terminology.htm

- Creating a permanent office or high-level position within the executive branch to coordinate and oversee Colorado's work on aging issues.
- Developing a comprehensive accounting of all state expenditures related to aging as a tool to help policymakers plan and prioritize at the state level.
- Committing, through existing state programs, partnerships, and resources, to protect older Coloradans from abuse, fraud, neglect, and exploitation — and ensure all can age with dignity.
- Empowering and supporting caregivers as they assist aging parents, family, and friends.
- Bolstering Coloradans' abilities to save for retirement and support themselves after stepping back from the workforce or full-time employment.
- Implementing strategies to ensure Colorado has a workforce to meet aging Coloradans' needs;
- Supporting local communities' efforts to adapt to aging Coloradans' needs, including transportation networks and building design; and,
- Developing and implementing comprehensive local and regional plans for aging.

These initial recommendations are important next steps in Colorado's work to prepare for its aging population. They are not, however, the final word on SAPGA's work. The Planning Group's work is inherently a work in progress and premised on the need to continue to study and debate strategies to seize the opportunities aging presents and confront related challenges.

SAPGA will continue to work to meet its legislative charge, which included a series of areas the Planning Group still needs to study. These areas of focus include assessing aging in the criminal and civil justice systems, veterans programs, strategies to help seniors support their own wellness and mobility, access to health care and other wellness programs, the role of the private sector in supporting aging Coloradans, and ways to reframe how aging is perceived by the public at large. SAPGA also will work to determine how Colorado can better address disparities that occur in the barriers older Coloradans face including those arising from race, ethnicity, income inequality, and LGBTQ status.

SAPGA also intends to monitor the implementation of these initial recommendations as it continues to work toward its intended 2018 and 2020 updates to this plan depending on the availability of resources.

In addition, SAPGA will continue to engage the private sector in its continuing work. Many entrepreneurs believe a whole new demographic (ages 60 to 80) will emerge by 2030 with many seniors transforming wisdom and experience into innovation. This is a core focus for SAPGA in 2017. SAPGA also will tackle how technology can benefit the elderly. In just the time since House Bill 15-1033 became law, customized mobility has become the new norm for people who either cannot or will not drive. Further, artificial intelligence will make it easier for an aging population to utilize the latest software technology with simple voice recognition.

This initial strategic plan's goals and recommendations represent the beginning of the state's leadership in understanding and solving some of its most pressing concerns. It is essential to keep this work on the front burner in 2017 and allow SAPGA to further its exploration into the possibilities ahead.

Although 2030 may seem distant, it is steadily approaching. With each passing year, increasing numbers of Coloradans will discover that aging is not an academic issue — but rather intertwined with their daily lives. The only threat aging poses for Colorado is if its leaders do not adequately prepare for this looming and ongoing demographic shift. The aging dynamic presents some difficult challenges, but it also introduces unique opportunities.

Strategic Action Planning Group on Aging Members

Kylie Ann Agnew of Denver
Former intake Director and Senior Outreach Manager for PASCO
To serve as a representative of private, public and community-based health care and long-term care, service or support provider for older adults

Claire E. Anderson of Colorado Springs
Executive Director, Innovations in Aging Collaborative
To serve as a representative of nonprofit organizations representing or advocating for older adult populations

Rob Andresen-Tenace of Parker
Transit Grants Unit Manager, CDOT
To serve as the designee of the Executive Director of the Colorado Department of Transportation

Donna L. Baros of Thornton
Chief Benefits Officer, Colorado PERA
To serve as a representative with extensive knowledge of, or experience with, state and local budgets and fiscal policy, or who is a representative from nonprofit organizations that have experience with fiscal and statewide policy issues

John R. Barry, MBA, MSW of Littleton
LTSS Stakeholder Relations Manager, HCPF
To serve as the designee of the Executive Director of the Colorado Department of Health Care Policy and Financing

Karen M. Brown of Arvada
Caregiver and CEO, Seniors Matter
To serve as a consumer

Wade B. Buchanan of Denver
Former President, The Bell Policy Center
To serve as a representative with extensive knowledge of, or experience with, state and local budgets and fiscal policy, or who is a representative from nonprofit organizations that have experience with fiscal and statewide policy issues

Honorable Steven F. Child of Snowmass
Pitkin County Commissioner
To serve as a county commissioner

Key Provisions of House Bill 15-1033 Legislative Charge

There is established a Strategic Action Planning Group on Aging for the purpose of studying and producing a comprehensive Strategic Action Plan on Aging in Colorado through the year 2030. The Planning Group shall examine the impacts, both positive and negative, of the aging demographic shift through the year 2030 on:

(I) The economy, workforce, and businesses and market-based products and services;

(II) State and local revenue budgets and fiscal policies;

(III) Medicaid and other safety-net programs and the collateral impact on other nonrelated state programs;

(IV) Family caregiving and private and public options for long-term care, services, and supports;

(V) The effects of potential federal entitlement reforms on Colorado; and

(VI) Transportation services and infrastructure.

The Planning Group shall consider or incorporate information, recommendations, and best practices from past and current study groups, foundations, state agencies, local governments, and initiatives proposed or implemented in other states, as well as from state and national commissions and study groups on aging and care, services, and supports.

Gregory Peter Coopman of Monument
President and Owner, Heartfelt Care at Home, Inc.
To serve as a representative of private, public and community-based health care and long-term care, service or support provider for older adults

Harry Dale Elliott, Sr of Commerce City
Division Director, Aging and Nutrition Services, Volunteers of America
To serve as a representative of private, public and community-based health care and long-term care, service or support provider for older adults

Edwin Douglas Farmer of Highlands Ranch
President and CEO, Colorado Health Care Association
To serve as a representative of private, public and community-based health care and long-term care, service or support provider for older adults

Susan M. Franklin of Aurora
Former Project Manager, Jefferson County Department of Human Services
To serve as a representative with extensive knowledge and expertise in long-term care, services and support and who is not a provider of such services

Mindy R. Kemp of Thornton
Director, Division of Aging and Adult Services, Colorado Department of Human Services
To serve as the designee of the Executive Director of the Colorado Department of Human Services

Christian M. Itin, MSW, PhD of Centennial
Professor and Chair, Dept. of Social Work, Metropolitan State University
To serve as a representative of an institution of higher education in a field related to older adult populations

Linda M. Mitchell of Denver
President and CEO, Alzheimer's Association Colorado Chapter
To serve as a representative of private, public and community-based health care and long-term care, service or support provider for older adults

Key Provisions of Legislative charge (continued)

Recommendations shall include at least:

(I) Options to address the long-term impact of the demographic shift on Colorado citizens, state government, and the private sector;

(II) Options to address disproportional regional demographic shifts in older adult populations;

(III) Options to improve financial security and retirement preparation for the older adult population;

(IV) Recommendations to enhance access to services and public education on aging issues;

(V) Options to strengthen and improve service quality and infrastructure for long-term services and supports to better enable the services and supports to meet future demand;

(VI) Options to reduce administrative and service delivery costs of public and private long-term services and supports while maintaining service quality;

(VII) Administrative and regulatory reforms needed to more cost-effectively organize state agencies to implement state programs and services;

(VIII) Private sector options for state-based long-term care, services, and supports;

(IX) Options to extend and improve other services and supports that would allow individuals to remain in their residences and communities for as long as possible;

(X) Options to improve the accessibility and sustainability of affordable housing and transportation services;

(XI) Options to improve caregiver supports and mitigate both the financial and nonfinancial impacts of caregiving on patients, caregivers, businesses, and the state;

(XII) Projections on the economic, fiscal, and personal impacts of implementing or not implementing the recommendations. This analysis should also consider the nonfinancial and quality-of-care impacts of the recommendations on Colorado's long-term care, services, and supports; healthcare infrastructure and workforce; aging; and caregiver populations.

(XIII) Possible legislation for consideration by the general assembly in order to implement the planning group's recommendations and achieve its stated goals; and

(XIV) Possible regulatory changes to be offered to state departments in order to implement the planning group's recommendations and achieve its stated goals.

Benjamin Moultrie of Aurora
Colorado Commission on Aging
To serve as the designee of the Colorado Commission on Aging

Muriel Jean Nofles of Aurora
State President, AARP of Colorado
To serve as a consumer

David R. Norman of Grand Junction
Director, Northwest Colorado Area Agency on Aging
To serve as a representative with extensive knowledge of, or experience with state and local budgets and fiscal policy, or who is a representative from nonprofit organizations that have experience with fiscal and statewide policy issues

James L. Riesberg (Chair) of Greeley
Former State Representative
To serve as a consumer

Jennifer L. Schaufele (Vice Chair) of Greenwood Village
Executive Director, Denver Regional Council of Governments
To serve as a representative of an area agency on aging as described in CRS 26-11-204

Anthony C. Tapia of Denver
Program Consultant, Colorado Latino Age Wave, Latino Community Foundation of Colorado
To serve as a representative of nonprofit organizations representing or advocating for older adult populations

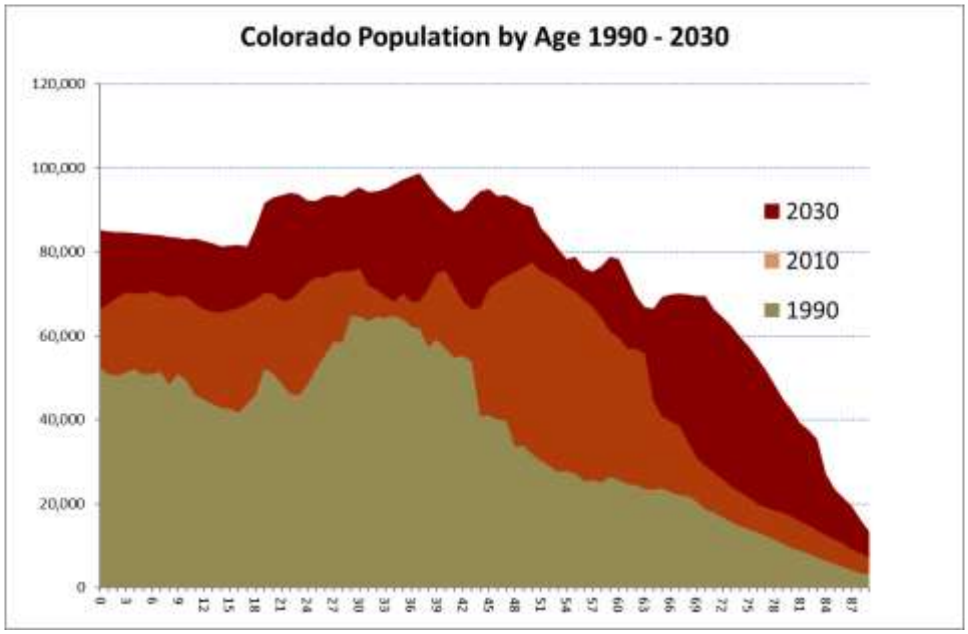
Sallie R. Thoreson of Grand Junction
Injury Prevention Coordinator, Colorado Department of Public Health and Environment
To serve as the designee of the Executive Director of the Colorado Department of Public Health and Environment

Sharron D. Williams of Denver
Owner, Optimal Health Care Solutions
To serve as a representative of the business community

Aging in Colorado

Colorado, shaped and defined by its stunning landscapes, is quietly undergoing a steady and permanent demographic shift that will redefine it for decades to come.

The number of Coloradans aged 65 and over is projected to rise by more than 508,000 — an increase of 68 percent — by 2030. This trend, the result of a confluence of demographic change and advances in science, is one that states around the nation are experiencing. Between 1900 and today, life expectancy in America increased by nearly 70 percent — from under 50 years to nearly 80 years. This is one of the great achievements of the 20th century. Advances in medicine and public health have given Americans a whole new phase of life. Living into one's 70s and beyond used to be uncommon, but now it is something a majority of Americans can fully expect.



These trends have long been established, though for the last 70 years they have largely been hidden from view by a phenomenon known as the Baby Boom. The huge post-World War II generation skewed our demographics toward youth. But now that generation is retiring and we are rapidly catching up with the trends. A new and permanent reality is setting in.

As this graph, generated from Colorado State Demography Office projections, shows, Colorado's population aged 65 and over will be substantially larger in 2030 than it is today. This demographic trend is not expected to crest for several decades:

> While Colorado is still years away from fully feeling the economic implications of our aging population, it's important that we take the time to look ahead and understand the changes that are taking place. Colorado's population is aging, and with that comes many economic and social changes that need to be addressed. Colorado and its communities must be ready to confront both the challenges and opportunities this growth generates.[4]

This trend, too, will transcend ethnicity and income levels. In addition, state projections show the number of Hispanic Coloradans aged 65 and over is expected to grow nearly 200 percent between 2010 and 2030; and the number of African American Coloradans aged 65-plus is expected to grow by nearly

[4] Colorado State Demography Office, Aging in Colorado Part 2: What Does it Mean for Our State? October 2016, https://demography.dola.colorado.gov/crosstabs/aging-part-2/

155 percent in the same time period.[5] This will require consideration of equity issues throughout the goals and recommendations that relate to aging, race, ethnicity, and income.

(It is worth noting that the Colorado General Assembly charged SAPGA with focusing on issues facing Coloradans 50 and older. SAPGA's work and recommendations do concern all aging Coloradans, however, the Colorado State Demography Office and other organizations maintain statistics and reports focused on those ages 65 and older. Those statistics are utilized in this initial strategic plan as a reference point, but they do not circumscribe or limit the recommendations herein.)

The fundamental fact is that this new reality is not just about older people. The changes that are coming will affect virtually every Coloradan in profound ways. Workers will need to do a much better job planning for retirement, starting early in their careers. Families will need to understand the potential effects that caring for aging loved ones will have on work and home lives. Businesses will need to adjust to the challenges and opportunities presented by an aging workforce and customer base — as well as the needs of their employees who also are caregivers. Our education system will need to produce enough new skilled workers to support industries that serve aging Coloradans. Communities will need to rethink a wide range of policies and regulations that affect everything from the kinds of homes that get built to how sidewalks, transportation systems, parks, and shopping areas accommodate the needs of people with diverse abilities. The public sector will need to grapple with increasing pressures on their budgets even while the aging demographic slows the growth in revenues.

This effort will require a comprehensive rethinking of how Colorado supports communities, families, and individuals who will grapple with this profound change. For example, the growing number of older Coloradans will increasingly rely upon family, friends, and others to provide assistance. Informal caregiving, while normal today, will become a part of more Coloradans lives — requiring both employers and employees to adapt. Family members and others acting as informal caregivers in Colorado endured a cost of $3.7 billion in 2015, including lost wages, forgone benefits, and other expenses.[6] [7] That figure is projected to grow to $6.6 billion by 2030.

Colorado's aging population also will require communities to adapt physical landscapes and other systems to accommodate this change. Given that 87 percent of older Americans indicate they want to

[5] Colorado State Demographer's Office projections, https://demography.dola.colorado.gov/population/data/race-forecast/
[6] CHI, Putting a Price on Informal Caregiving in Colorado report, https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Caregiving%20Report.pdf
[7] CHI, Putting a Price on Informal Caregiving in Colorado, July 25, 2016 presentation, https://www.colorado.gov/pacific/sites/default/files/Caregiving%20Presentation%20SAPGA.pdf

age in place,[8] our communities also will need to adopt strategies to enable this choice. According to an analysis by the Highland Group conducted for SAPGA, housing will need additional accessibility, including zero-step entries and configurations friendlier to aging bodies.[9] Seniors also will need assistance moving around their communities for basic services. According to the Colorado Health Institute, which also conducted research for SAPGA: “More than one of four Coloradans over 55 say it is at least somewhat problematic to find safe and affordable transportation options. The rate increases to 42 percent for adults 85 or older.”[10] [11] Although the mobility challenges vary by region and city, Colorado will need to expand access to ride sharing, public transportation, and other services to help seniors stay connected, access basic services, and thrive.

Aging also will place stresses upon Colorado public finance. Not only will growing numbers of retirees slow the growth in income tax revenues, contribute less toward sale taxes, and pay less in property taxes — notably due to homestead property tax exemptions — but they also will require additional support through public programs, including Medicaid. According to the Colorado State Demography Office: “Those in retirement tend to pay less in taxes both because they’re no longer working, and because they’re buying fewer taxable goods. With the aging of our population, there is an expected decline in per capita tax revenues to the state and many local governments — although it’s important to note that an overall decrease in total tax revenues is not expected due to aging.”[12]

An analysis the Colorado Futures Center conducted for SAPGA found that reductions in older Coloradans’ contributions to state and local revenues, however modest, coupled with increasing pressure on virtually all state programs and agencies will pose challenges for policymakers: “The bottom line [is] aging will have a real but modest effect on state revenue growth rates. Because Colorado is projected to be a growing state, total revenue

Research Conducted by SAPGA

Colorado Futures Center, The Effects of Aging on Colorado’s Revenue and Expenditures: A View to 2030, http://bit.ly/2fi5rXz

Colorado Health Institute, Putting a Price on Informal Caregiving in Colorado, http://bit.ly/2f8hQMJ

Colorado Health Institute, Creating Supportive Communities for Colorado Seniors, http://bit.ly/2fZPg2y

Colorado Health Institute, Improving Senior Mobility in Colorado, September 2016, http://bit.ly/2fi5vXj

The Highland Group, Housing and Care Facility Needs Forecast, Gaps, and Opportunities, http://bit.ly/2f1HXFe

Keystone Policy Center, Literature Review, Colorado Commissions and Reports, April 2016, http://bit.ly/2fi0KwK

Keystone Policy Center, Literature Review, Other State Reports, April 2016, http://bit.ly/2fXewFb

Keystone Policy Center, Literature Review, Colorado Legislation, April 2016, http://bit.ly/2gizTG1

Keystone Policy Center, Literature Review, Federal Legislation, April 2016, http://bit.ly/2gi27zS

Keystone Policy Center, Literature Review, Misc. Reports, April 2016, http://bit.ly/2fhZlXm

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To view other information and presentations presented to SAPGA, visit colorado.gov/pacific/agingstrategy/resources

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[8] AARP Public Policy Institute, What Is Livable? Community Preferences of Older Adults, April 2014, http://www.aarp.org/content/dam/aarp/research/public_policy_institute/liv_com/2014/what-is-livable-report-AARP-ppi-liv-com.pdf

[9] The Highland Group, Housing and Care Facility Needs Forecast, Gaps, and Opportunities, August 2016, https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Housing%20Report%20Highland%20Group%20FINAL%20BINDER%20August%2022%202016.pdf

[10] CHI, Expanding Transportation for Older Adults, Aug. 8, 2016 presentation, https://www.colorado.gov/pacific/sites/default/files/Transportation%20Presentation%20SAPGA_distribution.pdf

[11] CHI, Improving Senior Mobility in Colorado report, August 2016, https://www.colorado.gov/pacific/sites/default/files/Colorado%20Health%20Institute_Transportation_SAPGA_03August2016.pdf

[12] Colorado State Demography Office, Aging in Colorado Part 2: What Does it Mean for Our State? October 2016, https://demography.dola.colorado.gov/crosstabs/aging-part-2/

will continue to increase, albeit at a slowing rate. However, at the same time, aging will place increased expenditure pressure on the state budget. The largest growth rates in the 65 and over cohort are projected to occur by the end of the current decade. This will place additional expenditure pressures on the budget immediately. While growth rates in the 65 and over cohort are projected to slow after 2020, many of the expenditure pressures will continue to increase as the full 65 and over cohort continues to age."[13]

This pressure is most significant in Medicaid. As aging populations grow through 2030 and as the costs per beneficiary grow, the pressure on state finances will increase. "Of those served in Medicaid, just over 75,000 or 3.09 percent of the Medicaid population received eligibility as Adults 65 and Older (OAP-A) or Partial Dual Eligibles.[14] Yet, expenditures for these two cohorts represented 16.73 percent of total Medicaid expenditures in FY 2015-16. By 2030, over one out of every five dollars spent in the Medicaid program will be spent on the aged populations and total Medicaid expenditures for the aging cohorts are projected to grow from just over $1.04 billion in FY 2015-16 to just over $2.325 billion in FY 2029-30, an increase of more than 100 percent in 15 years."[15]

* * *

These trends have moved some in public life, the press, and elsewhere to ascribe foreboding monikers to Colorado's demographic trend. Rather than accepting this negative vision for the state, the Colorado General Assembly and Governor John Hickenlooper created SAPGA to confront the challenges and seize the opportunities aging presents.

In fact, Colorado's growing aging population will pay dividends for Colorado. Aging Coloradans, for example, are a tremendous resource. Their wisdom and experiences can strengthen Colorado institutions and provide crucial guidance across numerous sectors. Older Coloradans also play critical roles in the state's economy — with Coloradans aged 50 and older accounting in 2013 for 45 percent of the state's GDP ($131 billion) and supporting 48 percent of its jobs (1.6 million).[16] Colorado seniors receive relatively high marks for lower obesity rates and higher rank in physical activity.[17] Colorado should capitalize on this trend, and maintain and improve the opportunities for healthy aging throughout the state.

Adapting to Colorado's aging demographics and preparing for this growing segment of the population will help the state tap into older Coloradans' insights and other assets. More importantly, SAPGA's work has shown that Colorado can adapt to this trend — and ultimately make Colorado a better place for everyone.

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[13] Colorado Futures Center, The Effects of Aging on Colorado's Revenue and Expenditures: A View to 2030, https://www.colorado.gov/pacific/sites/default/files/CFC%20Finance%20Report%20for%20SAPGA_FINAL.pdf

[14] The Congressional Budget Office glossary contains the following definition of partial duals "Dual-eligible beneficiaries who qualify to have Medicaid pay some of the expenses they incur under Medicare. For all partial duals, Medicaid pays the premiums for Part B of Medicare (and for Part A, if applicable). For some partial duals (depending on the state they live in and their income and assets), Medicaid also pays part or all of the cost-sharing amounts they owe under Medicare." See https://www.cbo.gov/publication/44309

[15] Colorado Futures Center, The Effects of Aging on Colorado's Revenue and Expenditures: A View to 2030, https://www.colorado.gov/pacific/sites/default/files/CFC%20Finance%20Report%20for%20SAPGA_FINAL.pdf

[16] AARP, The Longevity Economy, Colorado, 2014, http://www.aarp.org/content/dam/aarp/livable-communities/documents-2014/LongevityEconomy/Colorado_datasheet_V1.pdf

[17] United Health Care foundation. America's Health Rankings® Senior Report. 2016. http://assets.americashealthrankings.org/app/uploads/final-report-seniors-2016-edition-1.pdf

A Vision for Colorado

Before the Strategic Action Planning Group on Aging could develop a plan, it needed a vision for Colorado in 2030 and beyond: Where do we want to go? How will we know when we get there?

SAPGA tackled this challenge by embracing the idea that a Colorado adapted for aging is one where residents of all ages can thrive — a place where people in every stage of life can contribute, can live the lives they want to live, and are respected and valued for who they are and what they bring to their communities. In terms of public policy, this means doing what we can to ensure a high quality of life for older Coloradans and their families by promoting health and wellbeing, fostering self-sufficiency, providing livable communities, and protecting the most vulnerable populations.

SAPGA also developed its vision for Colorado in collaboration with community organizations, public agencies, and others. SAPGA's members attended meetings throughout Colorado, listened to feedback from members of the public, and received presentations at its meetings from a wide range of organizations, thought leaders, and key stakeholders. SAPGA supplemented its work by investing in research from a wide range of Colorado think tanks and other research organizations.

To achieve this vision, SAPGA set eight goals for what Colorado should look like in 2030. These goals defined SAPGA's work and its recommendations. They provide the infrastructure — the scaffolding — of this strategic action plan for aging in Colorado:

- **Goal 1:** Colorado seniors will be able to live and fully participate in their communities of choice for as long as possible.
- **Goal 2:** Older adults will be able to stay engaged in the labor force and volunteer sector for as long as they want or need.
- **Goal 3:** Colorado seniors and their families will be more financially secure and prepared to meet the challenges of aging.
- **Goal 4:** Coloradans will be prepared for the challenges of caring for aging loved-ones and will be able to do so without endangering their own health or well-being or the health and well-being of the recipient of care.
- **Goal 5:** There will be enough skilled, educated and trained workers, paid commensurate to their abilities and training, to meet the needs of employers and industries serving Colorado's growing senior population.
- **Goal 6:** Older Coloradans will stay healthier longer through access to quality and affordable person-centered care that aligns with their preferences and values.
- **Goal 7:** All levels of government will meet their commitments to support older Coloradans and their families.
- **Goal 8:** Colorado will empower and protect seniors from abuse, neglect, and exploitation.

These goals should inform policymakers' priorities and actions in 2017 and beyond. They, coupled with the recommendations in this strategic plan, set a course for how Colorado can ensure a high quality of life for older adults, their families, and caregivers. These goals also guide steps Colorado can take to help older adults remain a vital part of our urban, rural, and tribal communities and leverage their lifetimes of experience, knowledge, and wisdom.

SAPGA focused on these goals and vision for Colorado by working through a series of committees, which included: Workforce Development; Family Economic Security; Physical Community; Health and Wellness; Public Finance; and Supportive Community. Through each topic area, SAPGA endeavored to find strategies to ensure Colorado is prepared for the needs and consequences of its growing aging population. This included ensuring the state improves the quality, effectiveness, and availability of services for older Coloradans and fully and sustainably funds essential senior services and support programs.

The legislation that established SAPGA directed its members to develop a long-term plan that can be expanded and updated over a matter of years. The General Assembly requested updates to this plan in 2018 and 2020 depending on the availability of resources. In the interim, SAPGA will continue to update its recommendations both in light of new information and research as well as the progress the state makes on these recommendations.

SAPGA's work in 2017 and beyond will include assessing the roles emerging technology and innovation can play in helping Colorado prepare for aging, working with seniors to support their own wellness and mobility, access to quality care including addressing the needs of those with dementia and Alzheimer's Disease, exploring how the private sector can complement public programs to support Colorado seniors, and elevating support for policies, communication, and practices that can better respond to the overall aging trend in our state. The Planning Group also will explore other issues directly affecting older Coloradans and potential avenues for action, including veterans programs and assistance, senior issues in the criminal and civil justice systems, access and barriers to participation in senior nutrition and wellness programs, and the intersection of these issues with race, ethnicity, and income levels in equitably accessing these services. SAPGA will continue to leverage its committees, organizations that serve older Coloradans, and partner with local communities to develop additional recommendations on these and other key topics and priorities.

This continuing work also will take into account the work of other entities in Colorado and beyond, whose work will affect Colorado seniors. These include but are not limited to the Colorado Commission on Affordable Health Care, the Colorado Department of Human Services, and the Colorado Commission on Aging. Their insights into issues such as the wellbeing of seniors to rising cost of prescription drugs holds tremendous value for SAPGA and Colorado policymakers alike. SAPGA intends to continue to monitor these other efforts to complement its future work.

The remainder of this section outlines the progress the Planning Group has made in understanding the challenges presented by the eight goals and the strategies considered for each. Some of these strategies form the basis for recommendation made in the next section; others need more work before SAPGA can decide whether they will form the basis for future recommendations. All goals and strategies are to be achieved before 2030.

Goal 1: Colorado seniors will be able to live and fully participate in their communities of choice for as long as possible.

Outcomes and Strategies under consideration:

People will be able to go where they want to go, when they want to get there.

- Increase awareness of the mobility needs of an aging population.
- Make alternative transportation resources more available.
- Eliminate funding barriers that prevent the most effective use of existing systems.
- Ensure older adults are aware of options and resources available to them.

Support networks will give older adults confidence in using transit options.

- Develop volunteer systems and training programs for seniors.
- Improve communications about services and options.

Infrastructure will be adequate and reliable so older adults can remain independent.

- Ensure communities are walkable and offer easy access to public transportation.
- Improve public transportation spaces (lighting, benches, signage, snow removal, etc.).
- Implement driver's license monitoring programs.
- Encourage private industry to provide technology solutions to mobility challenges.

Building codes will meet the needs of an aging population, with universal design as the standard.

- Promote universal design standards and include them in local building codes.
- Educate the public on the benefits of universal design.
- Create incentives for developers and contractors to use universal design.

The supply of accessible, affordable housing will meet the needs of seniors at all income levels.

- Provide a variety of housing options and help seniors find those most appropriate to their situations.
- Increase the affordable housing stock in Colorado.
- Support public funding to produce and preserve affordable housing.
- Encourage innovative options such as co-housing, Accessory Dwelling Units, village concepts, and Naturally Occurring Retirement Communities.

Community planning and design practices will support senior health, wellness, and mobility.

- Revise local planning and zoning to foster mixed-use development and improve access to services, mobility, safety, and walkability.
- Develop accessible open spaces (paths free of trip hazards, available seating, shelter, toilets, etc.).
- Improve air quality, noise pollution, traffic congestion, and safety standards.
- Revise local planning and zoning to support inter-generational community models.

Older adults will have access to resources and services throughout their life cycles that support their aging in place within their communities.

- Create a multi-agency leadership team to coordinate the efforts recommended by previous task forces and commissions, including Community Living Advisory Group, Colorado Aging Framework, Colorado Department of Public Health and Environment Healthy Aging Plan, and the Colorado Alzheimer's Disease Plan.
- Coordinate among "care gap" programs to identify aging populations with limited incomes who do not qualify for existing programs and to identify additional resource needs.
- Expand existing ombudsman programs to help seniors with problems they may encounter with agencies, home health care and facilities in their communities.
- Develop a retirement education and planning program to assist people throughout the aging process.
- Develop innovative models to improve services in rural and underserved communities.

Goal 2: Older adults will be able to stay engaged in the labor force and volunteer sector for as long as they want or need.

Outcomes and Strategies under consideration:

Older adults will be able to continue to participate in the paid labor force.

- Provide education, training and support to ensure the workforce readiness or entrepreneurial activity of older adults.
- Increase workforce opportunities for older adults.
- Increase business development opportunities for older adults.
- Improve the perception of older adults as valued and valuable workers.

Older adults will be able to meaningfully contribute to their communities as volunteers and build the capacity of non-profits and public institutions.

- Provide education and training to ensure the readiness of older volunteers.
- Increase volunteer opportunities for older adults.
- Improve institutional readiness and willingness to leverage the skills and abilities of older volunteers
- Improve the perception of older adults as valued and valuable volunteers.

Industries and employers will be prepared for the aging of their workforce.

- Improve employer awareness of and preparation for the aging of their labor force.
- Improve employer readiness to leverage the skills and abilities of older workers.

Goal 3: Colorado seniors and their families will be more financially secure and prepared to meet the challenges of aging.

Outcomes and Strategies under consideration:

Workers of all ages will be able to save to be economically secure as they age.

- Ensure workplace opportunities for all workers to save for retirement.
- Protect against financial abuses and exploitation.
- Ensure workers and retirees continue to have access to stable, secure, and viable retirement plans, including defined benefit plans.

People will understand the importance of planning, know how to plan, and are motivated to plan to be economically secure as they age.

- Provide Coloradans with skills in personal financial management by the time they enter the workforce and throughout their lifetimes.
- Encourage Coloradans to increase their savings for contingencies as they age.

Goal 4: Coloradans will be prepared for the challenges of caring for aging loved-ones and will be able to do so without endangering their own health or well-being or the health and well-being of the recipient of care.

Outcomes and Strategies under consideration:

Families will be able to provide adequate care to loved ones based on patient and family choice without endangering their own earning potential or family resources.

- Encourage families to make and communicate multi-generational financial and health plans.
- Encourage families to plan for future health and care costs — including end of life — considering family history, health history and status, and anticipated retirement lifestyle.

- Increase the prevalence of workplace policies that help employees balance their work and unpaid caregiver obligations.

Caregivers will have access to respite services and resources that reduce stress and allow them to be better caregivers.

- Develop a comprehensive statewide system for respite care services.
- Make caregivers aware of resources available to them.
- Train caregivers about abuse, neglect and exploitation.

Goal 5: There will be enough skilled, educated and trained workers, paid commensurate to their abilities and training, to meet the needs of employers and industries serving Colorado's growing senior population.

Outcomes and Strategies under consideration:

Colorado's workforce will be sufficient to build the capacity of the wide range of industries serving older adults, including healthcare, social services, long-term care, transportation, housing, caregiving, and more.

- Increase awareness of the career opportunities in industries that are growing due to aging.
- Improve access to education and training to ensure the readiness of workers in these fields.
- Improve the image and desirability of professions serving older adults.

Goal 6: Older Coloradans will stay healthier longer through access to quality and affordable person-centered care that aligns with their preferences and values.

Outcomes and Strategies under consideration:

Older Coloradans will have access to quality, affordable, coordinated, person-centered care.

- Ensure older adults have access to a regular health care provider (medical and dental home).
- Provide access to case management and care coordination for those in need.
- Ensure transitions of care occur more safely.
- Align medical care delivery with patient preferences and values (e.g. the right care, at the right time, for the right person).

Colorado leaders will utilize resources that support informed health and wellness decision-making.

- Increase understanding by older adults and caregivers of their health service options.
- Use evidence-based programs that support healthcare decision-making and advanced care planning.
- Ensure access to patient-appropriate educational resources at the time of decision-making.

Colorado will foster programs, environments, and behaviors known to maintain health and well-being.

- Promote lifestyles that incorporate physical and mental exercise, nutrition, oral health, and social interaction.
- Ensure access to community programs that promote healthy lifestyles.
- Optimize physical, mental, oral and behavioral functions as needs change across the lifespan.
- Increase availability of services and programs to manage chronic disease.

Colorado will provide person-centered care for older adults with decreasing functional status.

- Increase participation in comprehensive care coordination programs (disease support, wellness coordination, hospital discharge, inter-facility transfer, nutrition, living situation, transportation, caregivers, etc.).
- Increase use of programs that promote quality of life for individuals with functional limitations.
- Increase awareness and timely use of palliative care across care settings.
- Include caregivers more often as members of care teams.

Goal 7: All levels of government will meet their commitments to support older Coloradans and their families.

Outcomes and Strategies under consideration:

Colorado policymakers will support federal programs and expenditures as the foundation for building the economic security, health, and well-being of seniors and their families.

- Improve understanding among elected officials, opinion leaders, and the public of the challenges and opportunities presented by an aging population.
- Improve understanding of the foundational role of federal programs such as Social Security, Older Americans Act, Medicare, and Medicaid.
- Support national efforts to keep these programs viable and effective for the long-term.
- Leverage and maximize all appropriate age-related federal programs, demonstration projects, and other funding opportunities.

Colorado will address the structural imbalance between state revenues and expenditures in a manner that ensures adequate resources for aging-related programs without undermining support for other state priorities.

- Increase coordination among Colorado agencies and with federal and local entities to identify gaps, set priorities, and maximize cost-effectiveness of public spending.
- Develop long-term financial planning scenarios for aging programs across state agencies and departments to ensure they are prioritized and adequately funded.
- Encourage Colorado's leaders to build public understanding of the state's fiscal challenges, including the fiscal impacts of an aging population.

Local governments will adapt to how the aging of their populations impacts their revenues and expenditures in order to maximize aging related services and the overall well-being of their communities.

- Improve understanding of how aging will impact local revenue and expenditures.
- Develop and implement comprehensive local and regional financing plans to address aging.

State and local governments will augment public resources through collaborative, innovative and diverse revenue and financing models, including public-private partnerships and other non-public opportunities.

- Engage a wide range of stakeholders to identify, develop, and implement innovative financing strategies.

Goal 8: Colorado will empower and protect seniors from abuse, neglect, and exploitation.

Strategies under consideration:

Public

- Establish a State Office for Guardianship.
- Ensure quality, effective Adult Protective Services are available to vulnerable older adults.
- Expand training for law enforcement and district attorneys on abuse, neglect and exploitation of vulnerable adults, as well as how to interact with this population and prosecute these crimes.
- Provide Long-term Care Liaisons to address redetermination of Medicaid.

Community

- Raise awareness of elder abuse, neglect and exploitation, and what people can do to report and prevent it.
- Assess need for community services and supports for older adults (particularly in rural communities).
- Train caregivers to recognize and help prevent abuse, neglect, and exploitation.

The Path Forward

Colorado's response to its aging population has the potential to create opportunities, spur innovations in public policy and the private sector, and ultimately improve our special way of life for everyone in the state. Several pressing issues relating to aging are at the forefront of SAPGA's work and recommendations, including workforce, family economic security, the physical community, health and wellness, the stability and sustainability of our public programs, and communities that support aging.

Aging issues affect different communities and regions of Colorado in very different ways. Exploring these regional experiences and perspectives is central to SAPGA's work. The Planning Group sought out feedback on this issue as well as potential solutions from more than 20 statewide and regional organizations.

The members of SAPGA vetted these initial recommendations through its committees and full membership. SAPGA was focused on recommendations that had a clear problem that needed to be addressed, a defined entity tasked to carry out the recommendation, a strong foundation of research or empirical evidence, a clear way to help seniors and the state address a vital issue or improve the quality of life in Colorado for the next 14 years and beyond, lay the groundwork for future work on aging issues, and build on the state's progress or work already underway.

SAPGA adopted its initial recommendations through rigorous debate and, ultimately, consensus. Through that process, SAPGA reached nine key recommendations that will make measurable improvements for all Coloradans.

Recommendation 1

Relates to Goals 1 through 8

The Governor should create a permanent, high-level office or position within the executive branch to be accountable for and lead the state government's work on aging issues. The Governor should propose and the General Assembly should consider legislation to grant this new office or position the authority and capacity to:

a) **Set consistent statewide policy priorities;**
b) **Coordinate the aging-related work of state agencies and workgroups;**
c) **Help the state coordinate effectively and consistently with federal and local partners — and learn from the experiences of other states, commissions, planning groups, and other research entities, including the work conducted by and on behalf of SAPGA;**
d) **Maximize efficiency and cost-effectiveness and identify potential savings;**

e) **Identify gaps and unmet needs;**
f) **Identify and help develop innovative new financing mechanisms, including utilizing opportunities for matching funding;**
g) **Collect, analyze, and share data across agencies to improve decision-making related to workforce development and participation, health and wellness, and other key areas related to aging policy;**
h) **Help drive public education efforts concerning the effects of aging in Colorado;**
i) **And oversee the implementation of the state's Strategic Action Plan on Aging as well as appropriate recommendations from other efforts such as the Community Living Advisory Group (CLAG), Colorado Aging Framework, Colorado Department of Public Health and Environment Healthy Aging Plan, and the Colorado Alzheimer's Disease Plan.**

The Colorado Legislative Council should consider establishing a similar and parallel high-level mechanism and process for tracking and coordinating aging issues as well as educating individual lawmakers.

Colorado's aging population will pose challenges for Colorado's executive branch on down to county and municipal entities. To ensure Colorado responds consistently and efficiently, the state needs a coordinating aging office or position charged with cross-agency work to implement efforts to ensure Colorado supports healthy aging.

Every one of SAPGA's committees agreed on the clear need for this coordinating entity. In fact, all of the subsequent recommendations in this plan — as well as the achievability of the Planning Group's vision for Colorado in 2030 — rest on the idea that policymakers will act on this essential idea.

This coordinating office or position will help create efficiencies, anticipate and cover gaps in services, and ultimately eliminate waste. They also will be able to oversee the state's progress against the recommendations and goals of this strategic plan, the Community Living Advisory Group, Colorado Aging Framework, Colorado Department of Public Health and Environment Healthy Aging Plan, and the Colorado Alzheimer's Disease Plan — and to create accountability.

It is essential to note that state agencies are already generating a tremendous amount of information and resources for seniors and those working with older Coloradans. This work extends to local entities, including the Area Agencies on Aging. Coordination and information-sharing is essential to helping Colorado respond to its demographic shift and seize the opportunities it presents. Data collection and analysis also are central to helping the state plan for aging and working across agency lines to respond, including confronting falling labor force participation rates.[18]

A high-level office or position within the executive branch is appropriate, given the magnitude of Colorado's growing aging population. As a point of comparison, the Colorado Department of Health Care Policy and Financing supports the more than 1.3 million Coloradans enrolled in Colorado's Medicaid and Children's Health Insurance Program;[19] the Colorado State Demography Office estimates Colorado will have more than 1.2 million residents aged 65 and over by 2030.[20]

[18] U.S. Bureau of Labor Statistics, Monthly Labor Review, December 2013, http://www.bls.gov/opub/mlr/2013/article/labor-force-projections-to-2022-the-labor-force-participation-rate-continues-to-fall.htm
[19] Medicaid.gov, Medicaid & CHIP in Colorado, https://www.medicaid.gov/medicaid/by-state/stateprofile.html?state=colorado
[20] Colorado State Demography Office, Colorado Population Trends in Aging, 2015, https://www.colorado.gov/pacific/sites/default/files/SAPGA%20101.pdf

As noted in this strategic plan, the effects of aging will be widespread. It's essential that Colorado's response to this shift be equally comprehensive and coordinated.

Recommendation 2

Relates to Goals 1 through 8

The Governor's Office of State Planning and Budgeting, the Colorado Legislative Council, and the Joint Budget Committee staffs should work together to compile a comprehensive state budget on aging to identify all state expenditures related to aging issues (including revenue expenditures such as tax credits) as a tool to help policymakers plan and prioritize at the state level. These efforts should also include identification of major long-term trends in state expenditures with special attention given to resolving the state's structural imbalance and its impact on funding aging-related programs.

Colorado's aging population will affect every aspect of the state's budget and fiscal outlook. These effects will be felt from the federal level down to local entities. Despite this fact, there is no comprehensive accounting of how much Colorado spends on aging-related programs. This lack of understanding is a problem as Colorado grapples with the challenges and opportunities its aging population will present.

A comprehensive state budget on aging would help lawmakers and the Governor's Office prioritize aging in the full context of other necessities.

Research conducted for SAPGA underscores the need for this type of nonpartisan and detailed analysis: "The aging of Colorado's population has a significant and increasing impact on the programs, services and budgets of multiple state departments. In fact, it is difficult to identify any state department that is not affected in some way by the growth in the number of older Coloradans."[21]

These state programs, however, do not exist in a vacuum. The accounting produced by the Governor's Office of State Planning and Budgeting, the Colorado Legislative Council, and the Joint Budget Committee staffs should take into account related federal programs, including Medicare, Social Security, and the Older Americans Act. Hundreds of thousands of aging Coloradans will count on these programs alongside state programs. According to the Kaiser Family Foundation, the number of Coloradans who are Medicare beneficiaries rose from 650,687 in 2011 to 785,398 in 2015[22] — with these numbers expected to increase as the state's aging population grows. The same is true of Social Security, which paid benefits to 610,436 Coloradans aged 65 and over in 2015[23] — up from an estimated 514,038 Coloradans aged 65 and over in 2011.[24]

These analytic efforts also should extend to the local level, with municipal and county leaders identifying aging-related expenses, highlighting their importance, and raising awareness on the need for action to

[21] Colorado Futures Center, The Effects of Aging on Colorado's Revenue and Expenditures: A View to 2030, https://www.colorado.gov/pacific/sites/default/files/CFC%20Finance%20Report%20for%20SAPGA_FINAL.pdf

[22] Kaiser Family Foundation, Total Number of Medicare Beneficiaries, 2015, http://kff.org/medicare/state-indicator/total-medicare-beneficiaries/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[23] Social Security Administration, Number of beneficiaries in current-payment status, by state or other area, type of benefit, and sex of beneficiaries aged 65 or older, December 2015, https://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2015/table02.pdf

[24] Social Security Administration, Number of beneficiaries in current-payment status, by state or other area, type of benefit, and sex of beneficiaries aged 65 or older, December 2011,https://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2011/table02.pdf

preserve and strengthen these commitments. These efforts should extend to regional plans, efforts, and regional representative bodies, such as Club 20, Progressive 15, and Action 22.

Recommendation 3

Relates to Goals 3 and 7

The General Assembly should take the following steps to increase retirement savings by Coloradans of all ages:

a) **Encourage minimum standards for employers who offer defined contribution retirement plans (such as 401K plans). These standards should emphasize the essential ingredients of vesting, automatic enrollment, automatic investment, and automatic escalation.**
b) **Create a public-private partnership to design and offer a workplace retirement saving plan for employees who currently do not have access to one. This plan should be portable and should emphasize the essential ingredients of availability, automatic enrollment, automatic investment, and automatic escalation.**
c) **Fully meet the state's obligations to fund the retirement plans of its own employees and to ensure that the Colorado Public Employees' Retirement Association (PERA) remains sustainable over the long term.**
d) **Work with the Governor's Office to identify or create a statewide commission or entity with the authority and capacity to develop and support aggressive financial literacy programs relevant to Coloradans of all ages, locations, and circumstances.**

Local government entities should continue to fully meet funding obligations to county, municipal and other public employee retirement plans (e.g., the Fire and Police Pension Association) to ensure that plans remain solvent over the long-term.

Individual retirement savings and plans play an essential role in supporting aging Coloradans as they scale back their contributions to the workforce and enjoy retirement. Accordingly, SAPGA urges policymakers to empower all Coloradans to save for retirement and help themselves thrive.

Research from the Colorado Center on Law and Policy underscores the need for policymakers to take steps to bridge the divide between seniors' earned benefits, such as Social Security, and their needs in retirement: "Colorado seniors' Social Security payments and median income in retirement typically fall short of local retirement needs."[25] And research from the Bell Policy Center found that nearly half of Colorado's private sector workers today lack access to a retirement savings plan through their work.[26] This is especially pronounced among employees of small businesses, where workers are at the greatest risk of lacking access to retirement savings accounts.[27] With Colorado's aging population projected to significantly rise, this could leave hundreds of thousands without the resources necessary to maintain a reasonable standard of living in retirement.

Empowering Coloradans to plan and save for retirement will lessen demands on public programs aimed at helping retirees get by. According to a study of the impact which a new retiree's income level has on Utah's government financial outlays, "The least prepared new retirees cost the government the most in

[25] Colorado Center on Law & Policy, Measuring Senior Security, The Colorado Elder Index, Spring 2016, http://cclponline.org/wp-content/uploads/2016/08/Making-Ends-Meet_-The-National-Elder-Economic-Security-Initiative.pdf
[26] The Bell Policy Center, Colo. Workers Face a Retirement Crisis, http://www.bellpolicy.org/research/colorado-workers-face-retirement-crisis
[27] U.S. Small Business Administration, Small Business Trends, https://www.sba.gov/managing-business/running-business/energy-efficiency/sustainable-business-practices/small-business-trends

program benefits."[28] The same study also found: “An increase in net worth among the bottom one-third of retirees by just 10 percent over the workers’ careers would decrease expected government layouts by more than $194 million over the next 15 years. For these individuals, savings increases of that size would be very small — an increase of just $14,000 over their career. Most increases in net worth have substantive impacts on government spending.”[29]

Recent research by the Schwartz Center for Economic Policy Analysis concludes, “Employer sponsored retirement plans provide the best vehicle for retirement savings because they provide a practical and efficient way for workers to save consistently.”[30] Many other studies have affirmed this conclusion, including parametric statistical analyses by the Employee Benefit Research Institute that estimate retirement savings shortfalls. These analyses demonstrate that access to retirement savings plans in the workplace can significantly reduce savings shortfalls.[31]

The Colorado legislature has previously considered legislation to implement and strengthen Coloradans’ access to retirement savings, including House Bill 16-1403. SAPGA urges the General Assembly to again consider strategies to confront the retirement gap many seniors will face in 2030 — including the state’s obligation to ensure the Colorado Public Employees’ Retirement Association remains a reliable source of retirement income for its beneficiaries.

These recommendations rely on lawmakers’ continued commitment to the public programs and services currently in place. As noted in SAPGA’s narrative surrounding Recommendation 2, Medicare, Medicaid, Social Security, and other programs form the bedrock of Coloradans plans for retirement and economic security now and through 2030.

Finally, the state also should work to empower Coloradans to thrive in retirement by exploring strategies to boost financial literacy and Coloradans’ familiarity with what they will need in retirement. By informing Coloradans of their retirement options and ways to save for the future, Colorado will help ensure today’s workers can join the state in planning for aging.

[28] Notalys LLC, The Cost of Retiring Poor: Government Outlays for Utah’s Retiring Population, January 2015, http://www.aarp.org/content/dam/aarp/ppi/2016-03/cost-to-taxpayers-of-utahns-retiring-poor.pdf
[29] *Ibid*
[30] Schwartz Center for Economic Policy Analysis, Are U.S. Workers Ready for Retirement? Trends in Plan Sponsorship, Participation, and Preparedness, April 9, 2015, http://www.economicpolicyresearch.org/images/docs/research/retirement_security/Are_US_Workers_Ready_for_Retirement.pdf
[31] Employee Benefit Research Institute, Issue Brief No. 410, Retirement Savings Shortfalls: Evidence from EBRI’s Retirement Security Projection Model®, February 2015, https://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content_id=5487

Recommendation 4

Relates to Goal 1

As key first steps in helping communities reinvent themselves so that Colorado seniors have more opportunities to age in place and remain active, the General Assembly should take the following steps to build on promising existing efforts:

a) **Support efforts to create a Universal Design Certification program to encourage the inclusion of universal design elements in new and remodeled housing for seniors, such as the one within the Colorado State University Institute for the Built Environment. This should include adequate resources for piloting this Universal Design Certification process with the Partnership for Age Friendly Communities in Larimer County and to share and promote the lessons of that pilot program with communities throughout Colorado.**

b) **Support the Colorado Department of Transportation's (CDOT) State Coordinating Council in coordinating among the wide range of programs that help serve the transportation needs of Colorado's aging population. The Council should be charged with making specific regulatory, legislative and funding recommendations to improve the reach, effectiveness and efficiency of existing programs.**

c) **Utilize the CDOT State Coordinating Council and regional councils to help seniors access tools and training to remain safe on the road, such as AARP Driver Safety Courses, the Manual on Uniform Traffic Control Devices, the CarFit Program, the Colorado Guide for Aging Drivers and Their Families, and the 2015 Strategic Highway Safety Program.**

Older adults overwhelmingly express a desire to "age in place," in a place that is safe, affordable, walkable, healthy, and inclusive. Somewhere they feel a sense of connection and belonging.

Older adults can be a vital asset to communities and community development, contributing their experience, leadership, and, often, economic participation. Unfortunately, many live in places that are not well prepared for an aging population, and most communities have a long way to go before they can be called "age-friendly."

Adapting to Colorado's aging population will require a reconsideration of its physical environment. Colorado will need to adapt its infrastructure to increase the number of older adults who are living well in our communities.

> "Age friendly communities" or "livable communities" are terms used to describe community-wide or citywide efforts being made in some areas by groups of citizens, government services, and other stakeholders to re-shape their communities to work well for all ages. Generally, these efforts include consideration and adaptation of transportation/walkability, housing, healthcare, government services, accessibility, and other aspects of community living. The Partnership for Age-Friendly Communities in Larimer County is a good example of an age-friendly community-wide effort.
>
> —Housing and Care Facility Needs Forecast, Gaps, and Opportunities, The Highland Group

As Colorado communities work to build housing, it is essential that policymakers explore strategies to ensure that housing built for today's needs[32] also is built with tomorrow's population in mind. The state should implement pilot programs to explore the utilization of universal design — housing designs that reflect the diverse needs of aging Coloradans. These pilot programs would provide insights into what

[32] The Denver Post, Colorado population growth far outstripped new housing, census says, http://www.denverpost.com/2016/05/19/colorado-population-growth-far-outstripped-new-housing-census-says/

works and what does not as communities plan for aging. These types of homes would allow more Coloradans to age in place and thrive.

These pilots also could explore strategies to modify current homes to enable today's Coloradans to age safely in place. According to research conducted for SAPGA, this could involve "a streamlined permit process, as well as services to provide the modifications, and, for low-income seniors, rebates of permit fees or subsidization of costs."[33]

In addition to locally based pilots, SAPGA had a framework developed to help communities create aging-friendly environments for their residents.[34] Although communities face varied challenges across Colorado, the framework can provide useful guides as local governments explore ways to help their residents age in place.

Beyond housing, Colorado cities, counties, and state agencies also will need to explore and embrace new strategies to help seniors get around their communities and access essential services. Unless people have safe, convenient and affordable transportation options, they will be stuck at home or will be at greater risk on the roads than they need to be. Having access to transportation is critical to staying connected to family and friends and to pursuing day-to-day activities, both those that are essential and those that enhance the quality of life.

> Senior mobility is more than just getting to the doctor's office. Transportation is an essential ingredient for healthy, vibrant aging.
>
> But, many Colorado seniors struggle to get from Point A to Point B every day, detracting from their quality of life.
>
> —Improving Senior Mobility in Colorado, Colorado Health Institute

A report prepared for SAPGA outlines gaps in the state's transportation services for seniors.[35] It found that "getting around is a fundamental need of daily life. Mobility becomes increasingly important as one ages and physical, cognitive, and financial limitations make the simple act of getting from one place to the next a difficult undertaking. Improving mobility for all residents is a top priority across the state."[36]

The Colorado Department of Transportation should leverage this research in exploring better ways to keep Coloradans connected through mobility networks and programs. This effort should include making the connection between aging Coloradans' needs and the transportation network Colorado will have in 2030.

When Colorado adapts its infrastructure and programs for the state's aging population — making them safe, accessible, and affordable — it ultimately will improve all Coloradans' quality of life.

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[33] The Highland Group, Housing and Care Facility Needs Forecast, Gaps, and Opportunities, https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Housing%20Report%20Highland%20Group%20FINAL%20BINDER%20August%2022%202016.pdf

[34] CHI, Creating Supportive Communities for Colorado Seniors, https://www.colorado.gov/pacific/sites/default/files/Supportive%20Community%20Report_Final%2010-7.pdf

[35] CHI, Improving Senior Mobility in Colorado, September 2016, https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Transportation%20Report.pdf

[36] *Ibid*

Recommendation 5

Relates to Goal 5

Colorado must work to ensure its workforce meets the service needs of its aging population, including nursing homes, assisted living communities, home health agencies, caregivers, and other professionals who support the state's aging population. Colorado should address the employment and skill development needs of workers who serve older Coloradans.

The state should build on the effective talent development strategies already in place to identify workforce needs and develop career pathways (including those related to aging services), led by the Colorado Workforce Development Council (CWDC). The General Assembly also should identify an entity to advocate for workforce development in industries serving older adults and for services to older workers; that entity should collaborate with the CWDC to utilize existing talent development strategies and infrastructure to ensure Colorado's future workforce meets the needs of older adults.

The CWDC also should ensure that older workers have access to training and support services required for meaningful employment.

Aging Coloradans will require a wide variety of caregivers, health care professionals, and other service workers to assist them. As the number of Coloradans over 65 grows through 2030, an increasing number of people will be needed to support them. According to the Colorado State Demographer's Office, 69 percent of Coloradans aged 65 and over will have a disability at some point, 35 percent of Coloradans 65 and older will enter a nursing home, and 50 percent of Coloradans 85 and older will need assistance with everyday tasks.[37]

Some older adults will need higher levels of skilled care provided in nursing facilities as they age. Those who remain in their homes will require a robust network of supports. Consequently, many communities are asking — and others will be soon — what they can do to assist stay-at-home seniors. While needs vary by individual and community, there are common components of an age-friendly environment: accessible outdoor spaces and buildings; a variety of safe mobility options; affordable housing; opportunities for social and civic engagement and more.[38] [39]

In order to develop a sustainable pipeline of professionals needed by Colorado's aging population, the state should build on the successful strategies already underway, including the work of the Colorado Workforce Development Council (CWDC). The General Assembly should support the CWDC's work to identify critical needs, develop programs or initiatives to ensure Colorado has the workers necessary to provide aging-related services, and support these efforts.

As Colorado's population ages, so too will its workforce. Barring a growth in younger workers, this will likely lead to a transformation of Colorado's workplaces and its economy. Accordingly, Colorado should support efforts to help its aging workforce remain at work for as long as they choose.

[37] Colorado State Demography Office, Colorado Population Trends in Aging, 2015, https://www.colorado.gov/pacific/sites/default/files/SAPGA%20101.pdf
[38] CHI, Creating Supportive Communities for Colorado Seniors, https://www.colorado.gov/pacific/sites/default/files/Supportive%20Community%20Report_Final%2010-7.pdf
[39] AARP, Beyond 50.05: A Report to the Nation on Livable Communities, http://assets.aarp.org/rgcenter/il/beyond_50_communities.pdf

Despite all we do know about older Coloradans' needs, the state would benefit from a more comprehensive analysis of this issue. Such findings would help SAPGA chart a course for Colorado in 2030 and help state agencies and local organizations get ahead of the curve on workforce needs.

Recommendation 6

Relates to Goals 3 and 5

To provide support to the growing number of Colorado workers who are also caregivers for aging loved ones, the General Assembly and Governor should take these concrete steps:

a) **Establish family leave policies that set standards for compensating employees who are caring for aging family members. This might include a Temporary Caregiver Insurance Program through employee payroll deductions, such as those in California, New Jersey, and Rhode Island.**
b) **Create and promote a partnership among state and local governments, employer groups and educational institutions to identify and promote best practices for educating and supporting employees who are also caregivers.**
c) **Fully fund the recommendations made by the Respite Care Task Force in their January 2016 report.**[40]

Today, caregiving for a parent, grandparent, spouse, partner, or other adult relative or friend is commonplace as our population ages. It is the new normal of family life for many in the Colorado. Caregivers wear many hats. They help their loved ones navigate the bewildering complexity and fragmentation of the Long-Term Services and Supports (LTSS), help with activities of daily living, and assist with finances — while many also are caring for other family members, raising children, and working full time.

Many individuals who provide assistance and support do not identify themselves as "caregivers." Rather, they describe what they do in terms of their relationship to the other person: as a husband, wife, partner, grandson, niece, or friend.

A new model developed for SAPGA by the Colorado Health Institute (CHI) estimates that the cost to Coloradans providing informal care for older adults in 2015 was $3.7 billion,

Who is Providing Informal Care for Older Adults in the United States?

- The average age of an informal caregiver is about 50 years old.
- Most informal caregivers (86 percent) are caring for a relative.
- 60 percent of informal caregivers are women. Female caregivers tend to provide more hours of care then men.
- Six in 10 informal caregivers are employed.
- Informal caregivers' median household income is $55,000, slightly higher than the average U.S. median household income.
- Hispanic caregivers spend an average of 32 hours per week providing support, compared with 21 hours among white non-Hispanic caregivers.

What Types of Care Do Informal Caregivers Provide?

- Sixty percent of informal caregivers in the United States help with one or more Activity of Daily Living, which can include eating, bathing and dressing.
- Six in 10 informal caregivers help with medical or nursing tasks, most without receiving any formal training or preparation.
- Six in 10 caregivers (63 percent) are providing care for someone with a physical condition, and 30 percent are supporting an individual with a memory problem.
- Informal caregivers provide an average of 3.7 years of care. However, that figure varies greatly. For example, caregivers of individuals with dementia or Alzheimer's disease tend to provide care for longer durations than other caregivers, with 38 percent providing care for over six years.

Source: Colorado Health Institute

[40] Respite Care Study Final Report, November 2015, https://drive.google.com/file/d/0B6jLab7wPqJtLW4yaUtjUWd2SjQ/view

or $7,400 per caregiver; the model found Colorado employers shouldered a cost of $564 million in 2015, or roughly $1,100 per caregiver. [41]

Because family caregivers have numerous roles and carry out multiple tasks, often, over many years, they need a range of support services to stay healthy, improve their caregiving skills, and remain in their caregiving role.

The average age of an informal caregiver providing support to an older adult is about 50, so most are still working as they juggle this responsibility.[42] Fewer work hours, forgone wages, sacrificed promotions, and lost benefits are some of the costs incurred by informal caregivers who are employed.

Colorado's demographic shift means that in a decade or two, the ratio of informal caregivers to older adults is expected to shrink dramatically as the overall population becomes older. Informal caregivers provide essential services not only for their loved ones but also for Colorado's budget. Without them, many seniors would spend down their resources to pay for formal caregiving and eventually qualify for Medicaid, with financial impacts for both individuals and the state.

Recommendation 7

Relates to Goals 3 and 8

The General Assembly should work with the appropriate regulatory agencies to ensure state laws and regulations are adequate to protect consumers, including seniors, from predatory financial practices. In particular, the General Assembly and the Governor should:

a) **Support the U.S. Department of Labor fiduciary rule to protect workers from business practices that cost American families excess fees and charges; and,**
b) **Support the Colorado Senior$afe Program developed by the Colorado Division of Securities and Division of Banking and Financial Services.**

Financial fraud levies steep costs on its victim, particularly those on fixed incomes or in retirement. A 2009 study from MetLife found that elderly victims lost an estimated $2.9 billion to financial abuse.[43] Colorado should work to empower seniors to protect themselves and to support regulatory steps to prevent financial fraud.

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[41] Colorado Health Institute, Putting a Price on Informal Caregiving in Colorado, October 2017. https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Caregiving%20Report_1.pdf.

[42] AARP Public Policy Institute and the National Alliance on Caregiving. Caregiving of Older Adults: A Focused Look at Those Caring for Someone Age 50+, June 2015. http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf

[43] Metlife, The MetLife Study of Elder Financial Abuse, June 2011, https://www.metlife.com/assets/cao/mmi/publications/studies/2011/mmi-elder-financial-abuse.pdf

Colorado has a strong tradition to build upon. The state supports public education and enforcement aimed at consumer fraud, including the work of the Office of the Colorado Attorney General in partnership with AARP ElderWatch.

Colorado lawmakers, its executive officers, and its congressional representatives should build on these efforts by supporting federal and state programs aimed at further curtailing financial fraud and abuse. These efforts should include supporting the implementation and enforcement of the U.S. Department of Labor fiduciary rule.[44] Per the agency, "The Department's conflict of interest final rule and related exemptions will protect investors by requiring all who provide retirement investment advice to plans, plan fiduciaries and IRAs to abide by a 'fiduciary' standard — putting their clients' best interest before their own profits. This final rulemaking fulfills the Department's mission to protect, educate, and empower retirement investors as they face important choices in saving for retirement in their IRAs and employee benefit plans."

Colorado also should continue to support state-based efforts, including the Senior$afe program and other similar programs, aimed at protecting seniors from financial fraud and abuse.

Recommendation 8

Relates to Goals 7 and 8

To ensure older adults are free from abuse, neglect, and exploitation, Colorado should take the following steps:

a) **Ensure quality, effective Adult Protective Services (APS) are available and provided to all vulnerable adults in Colorado.**
b) **Implement key recommendations from the Office of Public Guardianship Advisory Committee (PGAC), including establishing a State Office of Guardianship.**
c) **Support programs to raise awareness and train law enforcement personnel, district attorneys, service providers, caregivers, and other key audiences in how to identify and prevent elder abuse.**

As a result of Colorado's growing aging population, a rising number of seniors will rely upon caregivers, family, friends, and others to maintain their quality of life. This dependence coupled with other physical and mental consequences of aging will leave seniors vulnerable to fraud and mistreatment. Thus, it is essential that the state prioritize initiatives aimed at combating elder abuse and exploitation.

The costs of inaction are staggering: According to the National Center on Elder Abuse, one in 10 Americans ages 60 and over have experienced abuse — and many in multiple forms.[45] According to research published in the Journal of the American Geriatrics Society in 2010, the rate of abuse of older Americans suffering from dementia is nearly 50 percent.[46] Abuse victims are often hospitalized or must undergo medical care to recover.

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[44] U.S. Department of Labor, Fact Sheet: Department of Labor Finalizes Rule to Address Conflicts of Interest in Retirement Advice, Saving Middle Class Families Billions of Dollars Every Year, https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/dol-final-rule-to-address-conflicts-of-interest

[45] Nation Center on Elder Abuse, Elder Abuse and Its Impact fact sheet, https://ncea.acl.gov/resources/docs/EA-Impact-What-You-Must-Know-2013.pdf

[46] National Center for Biotechnology Information, Screening for abuse and neglect of people with dementia, March 2010, https://www.ncbi.nlm.nih.gov/pubmed/20398118

Colorado lawmakers passed Senate Bill 13-111 in 2013 to require mandatory reporting of elder abuse. This landmark law, whose reporting mandates went into effect July 1, 2014, requires that a series of elder care, health, and service professionals report suspected abuse of adults aged 70 and over within 24 hours.

The law also required additional training to help caregivers and others recognize the signs of abuse. As a result, nearly 24,000 people received training from the Colorado Adult Protective Services in the 2014-2015 fiscal year.[47] Thanks to this training and the law's mandatory reporting requirements, the number of adult and elder abuse reports increased to 16,696 in FY2014-2015, up from an average of about 11,452 cases over the previous three fiscal years.[48] Colorado Adult Protective Services attributed this sharp rise to Senate Bill 13-111: "With the implementation of SB13-111 … APS realized a 48 percent increase in reports for clients aged 70 and older."[49] The number of cases opened as a result of these reports also sharply rose to 8,932 in FY2014-2015, up from an average number of 6,660 cases over the previous three fiscal years.

Although Colorado has taken tremendous recent steps to raise awareness about this issue and combat it, SAPGA recommends that policymakers build on these steps to ensure older adults can live free from abuse, neglect and exploitation.

Recommendation 9

Relates to Goals 1 through 8

Colorado's counties and municipalities, in collaboration with the Area Agencies on Aging and state agencies, should develop and implement comprehensive local and, where appropriate, regional plans for aging that prioritize services and expenditures, promote efficiencies, and identify public and private strategies to ensure adequate long-term funding.

These plans should include strategies and solutions that have been demonstrated to help improve the lives of older Coloradans, help them age in place, and contribute to their communities.

Local governments will have a critical role to play along with state agencies, nonprofits, and the private sector in ensuring older adults have access to essential services and vital programs. Partnerships and collaborations can and should start at the local level — where public programs are the most responsive to Coloradans' needs and, in some cases, the most effective at responding. To that end, the state should facilitate partnerships between local governments, housing providers, and care providers to examine rules and requirements attached to state and federal funding for housing, health care, and other senior services to identify barriers that prevent collaboration and innovation. County and local governments also should foster collaboration across their departments and programs — including economic development, transportation, human services, parks and recreation, planning and zoning, housing, and aging-well initiatives — to ensure resources are not being deployed in duplicative or contradictory fashions.

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[47] Colorado Adult Protective Services, Annual Report – Fiscal Year 2014-15, http://www.coloradoaps.com/uploads/5/0/9/7/50975653/aps_annual_report_-_fy_2015.pdf

[48] *Ibid*

[49] *Ibid*

Municipal and county governments should target local funds, loan programs, and local shares of federal and state funds to good-quality, affordable rental housing for seniors, including both new construction and renovation and preservation of existing affordable properties. They also should offer waivers of fees and reasonable exemptions to zoning rules as fair trade-offs for affordability.

Local government should explore strategies to help seniors afford to age in place. These programs could include the implementation of "stacked vouchers," where programs would bridge the gap between seniors' housing vouchers or other support and the cost of rent for qualifying units.

Local governments should modify zoning and planning rules to allow more forms of shared housing, accessory dwelling units, micro-units, mobile homes, and group homes that foster companionship, mutual support, resource sharing, and affordability. Local agencies also should consider modifying local ordinances or rules to allow seniors to cohabitate with multiple unrelated people in certain circumstances.

Local communities should utilize and invest in evidence-based programs that have demonstrated value to older Coloradans. For example, county and city governments should identify and promote the expanded use of evidence-based fall prevention programs, such as Stepping On and Tai Ji Quan: Moving for Better Balance.[50] These examples would help reduce the number of hospitalizations and health care costs related to seniors' falls — which cost seniors upwards of $31 billion each year.[51] Another example would be the promotion and provision of Mental Health First Aid training to all employees in law enforcement, first responders, and those in direct contact with residents. When more people are equipped with the tools they need to start a dialogue about mental health and substance use problems, more people can get the help they may need. The evidence[52] behind the program demonstrates that it does build mental health literacy, helping the public identify, understand, and respond to signs of mental illness.

* * *

Aging is an expansive issue and SAPGA is committed to continuing to work to address the numerous opportunities and challenges Colorado's demographic shift will present through 2030. These nine initial recommendations are a foundation upon which SAPGA will build with the continued support and investment of the Colorado General Assembly and Governor's Office.

House Bill 15-1033 identified 14 areas SAPGA would need to address in its strategic action plans. Those areas, listed at the beginning on this action plan, will guide SAPGA's continued work. The degree to which lawmakers and others act upon this initial plan also will guide the potential updates to this plan in 2018 and 2020.

[50] National Council on Aging, Fall Prevention Programs, https://www.ncoa.org/healthy-aging/falls-prevention/falls-prevention-programs-for-older-adults/
[51] CDC, Important Facts About Falls, http://www.cdc.gov/homeandrecreationalsafety/falls/adultfalls.html
[52] Substance Abuse and Mental Health Services Administration's National Registry of Evidence-based Programs and Practices, http://legacy.nreppadmin.net/ViewIntervention.aspx?id=321

Conclusion

Colorado is leading the way in planning for aging. By creating the Strategic Action Planning Group on Aging and supporting its development of a roadmap, Colorado has taken an important first step. The recommendations in this strategic plan are the next series of bold steps Colorado should take to prepare for its demographic future.

SAPGA's recommendations cover a broad range of issues directly related to Colorado's demographic future. They also lay out a series of important initial steps to prepare for where Colorado will be in 2030.

Aging will present expansive, cross-cutting challenges for Colorado. To address these big issues and to capitalize on the opportunities it presents, Colorado will need to undertake equally big solutions. The first recommendation, the creation of an executive branch office or position to oversee the state's work on aging issues, is the most critical of these recommendations and the type of big step Colorado needs to take. This office or position will ensure the state is acting in concert on aging-related issues, is accountable to Coloradans and its commitments to its seniors, and can advocate for these and future recommendations. Without a coordinating office or position, it will be nearly impossible for Colorado to efficiently and effectively grapple with the other important steps it will need to take to prepare and plan for aging. The other recommendations in this strategic plan will complement this new office or position and empower seniors, their friends and family, and leaders to contribute to its work.

The American writer and poet Robert Frost once said, "The afternoon knows what the morning never suspected." With age comes wisdom — a resource Colorado will have in droves come 2030 and beyond. SAPGA's recommendations provide a roadmap to ensure Colorado is well positioned to capitalize on its seniors and their contributions.

Taken together, SAPGA's nine recommendations are policies that will set the tone in Colorado and beyond for how to prepare for this latest demographic trend and ensure our communities, state, and nation are places where everyone can thrive.

With the support of the General Assembly and Governor's Office, SAPGA will continue its pioneering work to help Colorado prepare for its aging population. Even as the Planning Group continues to delve into issues that require additional study, such as health and wellness and the need to reframe how aging is perceived, it will monitor policymakers' work on the nine recommendations in this plan. SAPGA fully intends to advocate for its work and press lawmakers to act on these urgent priorities.

Appendix A — State Aging Programs

The following list of state aging programs was compiled by the Colorado Commission on Aging with additions from the SAPGA Technical Advisory Committee. While the list is intended to be inclusive of all state programs related to aging, some programs may be missing.

SAPGA welcomes suggestions of additional programs that should be included in this list.

Colorado Department of Health Care Policy and Financing

Medicaid:

- Demonstration Project to integrate care for Medicare – Medicaid Enrollees
- Program of All Inclusive Care
- Nursing facility benefit
- Colorado Choice Transitions (CCT)
- Changes to the Preadmission Screening and Resident Review Program (PASRR)
- Colorado's Community Living Plan (Olmstead Response) – CDPHE/CDHS/DOLA
- Community Living Advisory Group
- Colorado Dental Health Program for Low-income Seniors
- Home and Community Based Services
- Family Caregiver Support
- Medicaid Savings Program
- Old Age Pension Health and Medical Care Program
- Complex Services Solutions Work Group
- Testing Experience and Functional Tools

Colorado Department of Public Health and Environment

Health Facilities and Emergency Medical Division

- Health facilities oversight

Prevention Services Division

- Violence and Injury Prevention-Mental Health Promotion Branch
  - Older adult fall prevention
  - Suicide prevention
- Health Services and Connections Branch
  - Breast and cervical cancer screening
  - Cardiovascular health and diabetes screening
- Healthy Living and Chronic Disease Prevention Branch
  - Diabetes self management, diabetes prevention
  - Hypertension, high cholesterol and cancer control programs with clinical partners
  - Patient Navigation promotion
- Nutrition Services Branch- Child and Adult Care Food Program
- Oral Health Program

Disease Control and Environmental Epidemiology Division

- Colorado Immunization Branch
- Communicable Disease Branch
- STI/HIV/Viral Hepatitis Branch

Office of Health Equity-communicate about health equity, and funding and working with communities

Colorado Department of Higher Education:

- Colorado Community College System

Arapahoe Community College / North Eastern Junior College - - 50+ Initiative

Alms Community College: Gerontology Certification Program
Healthcare Navigator Certificate

University of Colorado – Colorado Springs – UCCS

- Listen-In for 55+
- Geropsycology PhD
- UCCS Gerontology Center
  - Gerontology Minor
- UCCS Aging Center – clinical setting for graduate students
- UCCS Peak Nutrition Clinic
- UCCS Center for Active Living
- Peak Vista Community Health Senior Clinic

University of Colorado – Denver

- At 60+ enroll for free

Metropolitan State University – Denver

- Free courses on a non-credit basis
- Mentor Up program with AARP – pairs a AARP person with student
- LearnOn – short courses
- Geriatric Work Force enhancement – apply for grant

Colorado State University – Fort Collins

- Osher Lifelong Learning Institute
- Gerontology Interdisciplinary Minor

Fort Lewis College

- Life Long Learning Program – free lecture series
- KDUR Community Radio – develop/DJ shows

- Career Retooling
  - Master of Arts in Education
  - Certificate in Geographic Information Systems
  - Ed2Go Online partner w/Office of Continuing Education

- Volunteer Opportunities
  - Professional Associates
  - Center for Southwest Studies
  - Community Concert Hall Volunteer Program
  - Engineers Without Borders

Colorado Mountain College

- Live Long Learning Program
- High Country RVSP
- Tuition Discounts

- Career Retooling:
  - Ed2go

Go2Workshops
Gateway (partnerships)

Colorado Mesa University
Golden Scholar program for 60+, low tuition when taking classes for no credit

University of Northern Colorado
Graduate degree in Gerontology

Colorado Department of Human Services:

Demonstration Project to integrate care for Medicare – Medicaid Enrollees
Statewide ombudsmen program
Office of Community Access and Independence – Veterans Community Living Centers
Office of Community Access and Independence – Division of Aging and Adult Services
State Unit on Aging
Congregate Nutrition Services
Home-Delivered Nutrition Services
Transportation Services
In-home services
Legal Services for Older Persons
Other Community Based Services for Older Adults
Family Caregiver Support

Long Term Care Ombudsman Services for Older Persons
Federal Aging and Disability Resource Centers
A Matter of Balance Intervention
Chronic Disease Self- Management
Senior Community Services Employment Program
Community Based Care Transition Program
Adult Protective Services

Office of Community Access and Independence – Division of Regional Center Operations
Community Support Team

Office of Economic Security – Employment and Benefits Division
Financial Security Programs
Old Age Pension
Adult Foster Care
Home Care Allowance
Personal Needs Allowance
Burial Benefit

Re-Hire Colorado
Supplemental Nutrition Assistance Program
Low-Income Energy Assistance
Colorado Property / Rent / Heat Credit Rebate

Office of Behavioral Health – Community Programs

Governor's Plan for Strengthening Behavioral Health

Colorado Crisis Support Services

Trauma-informed Services

Older Adult Initiatives

Colorado Energy Office

Low Income Weatherization Assistance Program

Residential Energy Efficiency Program

Colorado Department of Law

AARP Foundation ElderWatch Colorado

Colorado Department of Local Affairs – Division of Housing

Single Family Owner – Occupied Rehabilitation Program

Housing Choice Voucher Program – HCV

Affordable Housing Development

Transit-Oriented Housing Development

State Housing Vouchers

Housing and Colorado Choice Transitions

Medicaid Home Modifications

Medicaid Crosswalk

Low Income Housing Tax Credits

Colorado Permanent Supportive Housing Toolkit

ColoradoHousingSerach.org

Senior Property Tax Exemption

Colorado Department of Natural Resources

Senior Annual Fishing License

Low-income Senior Lifetime Fishing

Aspen Leaf Annual Pass

Camping Discount

Hunter Education Classes

Colorado Department of Public Safety

Colorado Background Investigations

Division of Criminal Justice

Division of Homeland Security and Emergency Management

Division of Fire Prevention and Control

Colorado State Patrol

Colorado Department of Transportation

Section 5310: Enhanced Mobility for Seniors and Individuals w/Disabilities (EMSID)

Fort Collins and Colorado Springs

Denver

State

(Covers mobility mgmt., some operating, buy vehicles)

Section 5311: Formula Grants for Rural Areas - Rural Public Transportation
Section 5339: Replacement Cost for Vehicle Program
Formula
Competitive Application
Section 5307: Discretionary funding for operating
and/or capital (vehicles) – urban only

FASTER

Other transportation outside of CDOT:
Older Americans Act Funding
Medicaid – medical and non-medical transportation
Veteran's Administration

Appendix B — Presentations to SAPGA

Putting a Price on Caregiving, CHI, September 2016

Final Housing Report, The Highland Group, September 2016

Caregiving Memo, CHI

Caregiving Presentation, CHI

NCI-AD presentation, HCPF and CDHS

Presentation from Kelli Fritts, AARP

Boomer Bond presentation, May 2016

CMS Medicare presentation, April 2016

Colorado Medicaid and Older Adults, April 2016

Colorado Opportunities Project presentation, March 2016

Measuring Health in 65 and Older, Colorado Cross Agency Collaborative, 2016

Colorado Opportunities Framework document

Leeds presentation on aging in Colorado, February 2016

Newsletter and 1 page Handout from Knoebel Institute for Healthy Aging

Respite Care Task Force presentation, CDHS, February 2016

State fiscal impacts of the aging of Coloradans, Colorado Futures, January 2016

Federal Funding in Colorado from the Administration for Community Living

Updated FY2015-2016 Staff Budget Briefing Issue to the JBC Concerning Demographic and Budgetary

Trends for the Senior Population, January 2016

CDHS Division of Aging and Adult Services, Mindy Kemp, January 2016

Colorado Population Trends in Aging, Elizabeth Garner, Colo. Department of Local Affairs, 2015

Housing and Transportation, Brad Calvert and Matthew Helfant, DRCOG, December 2015

Housing, Alison George, Colorado Dept of Local Affairs, Division of Housing, December 2015

Appendix C — SAPGA Presentations

Alpine Area Agency on Aging

Alzheimer's Association Education Symposium

Aurora Health Access

Boulder County Aging Well Conference

Carbon Valley Network

Club 20

Colorado Alliance for Senior Americans

c4a Colorado Association of Area Agencies on Aging

Colorado Association of Human Services Directors

Colorado Commission on Aging

Colorado Counties Inc.

Colorado Social Legislation Committee

Craig Senior Program

Larimer County Aging Advisory Council

Larimer County Partnership for Age Friendly Communities

Larimer County Senior Network

Metro Area County Commissioners

Northern Colorado Senior Living Network

Pueblo Advisory Council on Aging

Senior Day at the Capitol

Senior Resource Center

UC School of Medicine

Weld County Area Agency on Aging Advisory Board

Weld County Senior Organizations

Learn more about SAPGA, its work, and upcoming meetings by visiting
www.colorado.gov/agingstrategy