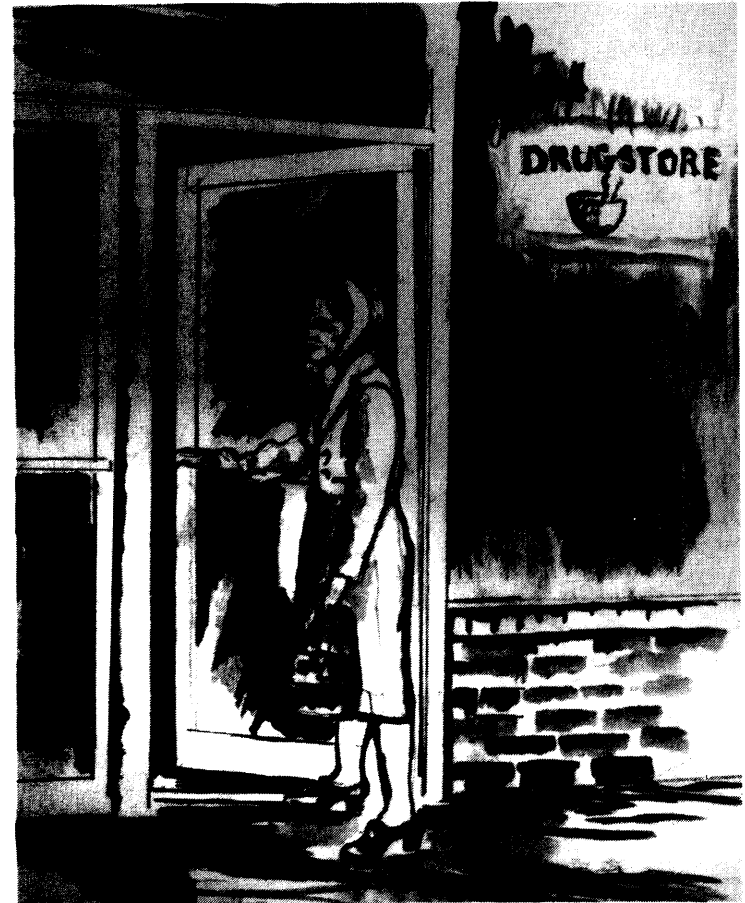


# Feasibility of a Statewide Senior Citizen Discount Program



**Research Report No. 152  
Legislative Research Commission  
Frankfort, Kentucky**

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. . . . .

The Kentucky Legislative Research Commission is a sixteen-member committee, comprised of the majority and minority leadership of the Kentucky Senate and House of Representatives. Under Chapter 7 of the Kentucky Revised Statutes, the Commission constitutes the administrative office for the Kentucky General Assembly. Its director serves as chief administrative officer of the legislature when it is not in session.

The Commission and its staff, by law and by practice, perform numerous fact-finding and service functions for members of the General Assembly. The Commission provides professional, clerical and other employees required by legislators when the General Assembly is in session and during the interim period between sessions. These employees, in turn, assist committees and individual members in preparing legislation. Other services include conducting studies and investigations, organizing and staffing committee meetings and public hearings, maintaining official legislative records and other reference materials, furnishing information about the legislature to the public, compiling and publishing administrative regulations, administering a legislative intern program, conducting a pre-session orientation conference for legislators, and publishing a daily index of legislative activity during sessions of the General Assembly.

The Commission also is responsible for statute revision, publication and distribution of the Acts and Journals following sessions of the General Assembly and for maintaining furnishings, equipment and supplies for the legislature.

The Commission functions as Kentucky's Commission on Interstate Cooperation in carrying out the program of the Council of State Governments as it relates to Kentucky.

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# Feasibility of a Statewide Senior Citizen Discount Program

Prepared by  
**James Monsour**

**Research Report No. 152**

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*Legislative Research Commission  
Frankfort, Kentucky  
March, 1979*

Paid for from state funds

**1980 KENTUCKY POPULATION PROJECTIONS**  
**Persons 65 + \***

ADD District	County	Total/County	Total/ADD
(14) Lake Cumberland	Adair	2,255	21,851
	Casey	1,974	
	Clinton	1,368	
	Cumberland	1,097	
	Green	1,612	
	McCreary	1,674	
	Pulaski	5,632	
	Russell	1,710	
	Taylor	2,274	
	Wayne	2,255	
(15) Bluegrass	Anderson	1,346	51,216
	Bourbon	2,357	
	Boyle	2,812	
	Clark	2,724	
	Estill	1,772	
	Fayette	16,155	
	Franklin	4,086	
	Garrard	1,406	
	Harrison	2,261	
	Jessamine	1,856	
	Lincoln	2,407	
	Madison	4,210	
	Mercer	2,285	
	Nicholas	918	
	Powell	956	
	Scott	1,945	
Woodford	1,720		
<b>GRAND TOTAL</b>			<b>388,667</b>

\* Prepared by University of Louisville Urban Studies Center, Population Research Unit, November, 1977.

**1980 KENTUCKY POPULATION PROJECTIONS**  
**Persons 65 + \***

ADD District	County	Total/County	Total/ADD
(9) Gateway	Bath	1,256	6,477
	Meniffee	490	
	Montgomery	1,896	
	Morgan	1,416	
	Rowan	1,419	
(10) Fiveco	Boyd	6,397	14,539
	Carter	2,479	
	Elliott	768	
	Greenup	3,201	
	Lawrence	1,694	
(11) Big Sandy	Floyd	4,423	15,943
	Johnson	2,688	
	Magoffin	1,208	
	Martin	1,026	
	Pike	6,598	
(12) Kentucky River	Breathitt	1,781	13,317
	Knott	1,803	
	Lee	987	
	Leslie	1,171	
	Letcher	2,988	
	Owsley	759	
	Perry	2,981	
	Wolfe	847	
	(13) Cumberland Valley	Bell	
Clay		2,195	
Harlan		5,049	
Jackson		1,396	
Knox		3,382	
Laurel		4,018	
Rockcastle		1,637	
Whitley		4,091	

**FOREWORD**

It is readily apparent that the purchasing power of older people, many of whom live on fixed incomes, is rapidly being eroded by today's continuing inflation. The Kentucky General Assembly, recognizing this trend, passed Senate Resolution 46, directing the Legislative Research Commission to study the feasibility of implementing a statewide senior citizen discount program.

This report presents a summary of statewide senior citizen programs of other states and describes discount programs currently operating in Kentucky. Its recommendations are based on an analysis of the resources necessary to implement a statewide program and their availability in Kentucky. It is hoped that legislators and other interested citizens will find this information helpful in devising means to ease the impact of inflation on the Commonwealth's older population.

This report was written by James Monsour and edited by Charles Bush. The cover design was prepared by Allen Salyer of the LRC staff. The cooperation of the Kentucky Department for Human Resources, the Kentucky Association of Community Action Agencies, and numerous senior citizens center officials is gratefully acknowledged.

VIC HELLARD, JR.  
 Director

The Capitol  
 Frankfort, Kentucky  
 March, 1979

**1980 KENTUCKY POPULATION PROJECTIONS**  
**Persons 65 + \***

<b>ADD District</b>	<b>County</b>	<b>Total/County</b>	<b>Total/ADD</b>
(4) Barren River (Cont'd)	Logan	3,166	
	Metcalfe	1,335	
	Monroe	1,841	
	Simpson	1,893	
	Warren	5,995	
(5) Lincoln Trail			17,602
	Breckinridge	2,204	
	Grayson	2,726	
	Hardin	4,225	
	Larue	1,597	
	Marion	1,902	
	Meade	1,071	
	Nelson	2,472	
	Washington	1,405	
(6) Jefferson			81,908
	Bullitt	2,257	
	Henry	1,738	
	Jefferson	72,075	
	Oldham	1,793	
	Shelby	2,723	
	Spencer	625	
	Trimble	697	
(7) Northern Kentucky			33,790
	Boone	2,747	
	Campbell	10,629	
	Carroll	1,083	
	Gallatin	540	
	Grant	1,667	
	Kenton	14,520	
(8) Buffalo Trace			6,912
	Bracken	1,131	
	Fleming	1,730	
	Lewis	1,491	
	Mason	2,162	
	Robertson	398	

APPENDIX 5

1980 KENTUCKY POPULATION PROJECTIONS  
Persons 65 + \*

ADD District	County	Total/County	Total/ADD
(1) Purchase	Ballard	1,488	26,097
	Calloway	3,779	
	Carlisle	1,073	
	Fulton	1,651	
	Graves	5,470	
	Hickman	1,090	
	Marshall	3,382	
	McCracken	8,164	
(2) Pennyrite	Caldwell	2,197	25,756
	Christian	5,522	
	Crittenden	1,630	
	Hopkins	6,602	
	Livingston	1,451	
	Lyon	922	
	Muhlenberg	4,333	
	Todd	1,730	
	Trigg	1,369	
(3) Green River	Daviess	8,320	22,003
	Hancock	805	
	Henderson	4,272	
	McLean	1,481	
	Ohio	2,925	
	Union	1,719	
	Webster	2,481	
	(4) Barren River	Allen	
Barren		4,209	
Butler		1,536	
Edmonson		1,241	
Hart		2,116	

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Mr. James Monsour  
September 29, 1978  
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There are other potential pit-falls of the program. The Ohio program is embedded in charges and counter-charges of political abuse by politicians at the state level. Initially, a discount program would tend to be an advantage for small businesses at the disadvantage of larger firms. And legislation would have to be carefully drafted to ensure that the cost to taxpayers for administering the program did not drive up the cost of living.

It is a general policy of the Kentucky Chamber that programs such as the Golden Age Discount Card should be the decision of local communities, and voluntary. In fact, some businesses through their own voluntary efforts presently honor discounts for elderly citizens. This should be encouraged without writing another law.

Your earlier correspondence asks specifically whether the Kentucky Chamber of Commerce would participate in a statewide senior citizen program. It is beyond the scope of the organization to actively promote a program of this nature through our entire membership. It must be a voluntary decision of each of our individual members as to whether or not they wish to participate.

I appreciate the opportunity to offer my comments, and I will work with you and the interim joint committee in further studying this idea.

Sincerely,



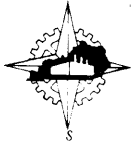
Philip A. Thompson  
President

PAT:lr:w



## APPENDIX 4

*A positive voice for Kentucky*



**KENTUCKY CHAMBER OF COMMERCE**

P. O. BOX 817 • VERSAILLES RD. • FRANKFORT, KY. 40602 • (502)695-4700

September 29, 1978

Mr. James Monsour  
Legislative Analyst  
Legislative Research Commission  
Capitol Building  
Frankfort, Kentucky 40601

Dear Mr. Monsour:

The purpose of this letter is to provide comments from the Kentucky Chamber of Commerce on Senate Concurrent Resolution No. 46 which directs the LRC to "study the feasibility of implementing a Golden Age Discount Card program in the Commonwealth".

The idea of the program, as I understand it would be to encourage Kentucky's retail businesses, on a voluntary basis, to sell goods or services at a reduced rate to elderly citizens who present at the time of purchase a valid discount card to be issued through the state government.

The elderly citizens of the Commonwealth who live on fixed incomes need some relief from the ever rising cost of living (i.e. inflation) that is fundamentally caused by the public policy decisions of the federal government, and the higher tax bite of government at all levels.

For government to intervene, casually or with rigidity, in the free enterprise sector with remedies for reducing the cost of living for any group, as honorable as it may be, is yet tantamount to "the government trying to correct with the right hand the conditions it creates by the left hand".

I have not surveyed the membership of the Kentucky Chamber, but it is my belief that many small businesses throughout the Commonwealth would welcome a Golden Age Discount Card program and willingly participate as long as the program was on a voluntary basis. However, many other businesses would not want to encourage such a program for a variety of reasons.

While a discount would reduce the cost of living for some, it would increase the cost of living for others. Aggregate profits for all businesses in the state are measurable. The business community as a whole cannot reasonably be expected to "volunteer" for a program that would reduce their profits. Generally speaking, it would be the nature of things for some businesses to gain "good will and higher sales" through participation and for non-participating merchants and shopkeepers to not gain. But on balance, the program cannot reduce the cost of living for all citizens.

## SUMMARY

The impact of continuing inflation on the limited incomes of many older persons has led to the establishment by retailers of discounts on consumer goods and services for senior citizens across the United States. While discounts are available both through merchants acting individually and from businesses participating in locally-organized discount programs, only recently has the concept of consolidating into one program the discounts available throughout a state been implemented. Such an action in a neighboring state has served as the impetus for an investigation of a possible statewide senior citizen discount program in Kentucky.

The feasibility of implementing such a program was determined through an analysis of program requirements and resources needed and available to meet these requirements. This investigation indicated that the program could be implemented by utilizing presently available state resources.

*It is recommended that the administrative structure of the Center for Aging Services be utilized to develop and implement the program, thus allowing program administrators access at all service levels to the Commonwealth's senior citizens and assuring administrative continuity. Funding could be provided through a special grant from the Governor's contingency fund, with \$165,359 required to implement the program and decreasing amounts required in succeeding years to continue it. In order to minimize implementation costs, volunteers could be used extensively both to promote the program and to enlist the participation of Kentucky's business community. The proposed program would have the following features:*

- Program participation by Kentucky's retail and service outlets would be voluntary.
- Existing local programs could be incorporated into the statewide program if they chose to participate.
- In order to simplify program mechanics local social services agencies and senior citizens centers would serve as registration sites, thus reducing operating costs significantly.
- Persons sixty-five years of age and over would be eligible for the program.
- A uniform identification card would be issued to those lacking valid proof of age.

Surveys of senior citizens groups and businesses conducted for this study determine that Kentucky's senior citizens would utilize such a service and that a sufficient number of Kentucky merchants would be willing to participate in a statewide senior citizen discount program.

If a classification in a statute meets the prerequisites that it be reasonable and not arbitrary, is based upon substantial distinctions with a proper relationship to the persons classified and the purposes sought to be achieved, and operates alike on all members of the designated class, it is not in violation of the federal guaranty of equal protection. 16 Am. Jur. 2d Constitutional Law §502, p. 878. In Walters v. Binder, Ky., 435 S.W.2d 464 (1968), the Kentucky Court of Appeals equated Section 1 of the Kentucky Constitution with the Equal Protection Clause of the Federal Constitution. As such, it would seem that if the statute in question is not violative of the Equal Protection Clause of the Fourteenth Amendment of the Federal Constitution, it is not violative of Section 1 of the Kentucky Constitution.

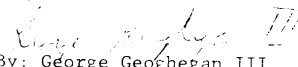
The United States Supreme Court has consistently held that such statutory classifications, meeting the requirements set out above, will be held valid. In Rinaldi v. Yeager, Id., the Court stated, "The Constitution does not require things which are different in fact . . . to be treated in law as though they were the same . . . . Hence, legislation may impose special burdens upon defined classes in order to achieve permissible ends." In Carrington v. Rash, 380 U.S. 89 (1965) it was stated, ". . . mere classification . . . does not of itself deprive a group of equal protection." And in Levy v. Louisiana, the Court stated, "Under the equal protection clause of the Fourteenth Amendment, the test for the validity of a state's classification is whether the line drawn is a rational one."

Finally, the statute in question might be challenged on the ground that it is violative of Section 59 of the Kentucky Constitution which provides: "In all other cases where a ground law can be made applicable, no special law shall be enacted." It is clear that the proposed statute in question does not run afoul of Section 59 as special legislation. "Local or special legislation . . . applies exclusively to special or particular places, or special and particular persons, and is distinguished from a statute intended to be general in its operation and relating to classes of persons or subjects." Stone v. Wilson, 43 S.W. 397; Safety B. & L. Assoc. v. Ecklar, 50 S.W. 50; Walters v. Binder, 435 S.W.2d 464.

In conclusion, it is the opinion of this office that if the proposed statute in question meets the requirements set forth in the above-cited cases and materials, under the "rational basis" approach, it would not be violative of the Equal Protection Clause of the Fourteenth Amendment of the Federal Constitution nor Section 1 of the Kentucky Constitution. In addition, such a statute would not violate Section 59 of the Kentucky Constitution.

Sincerely,

ROBERT F. STEPHENS  
ATTORNEY GENERAL

  
By: George Geoghegan III  
Assistant Deputy Attorney General

APPENDIX 3



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE ATTORNEY GENERAL  
FRANKFORT

ROBERT F. STEPHENS  
ATTORNEY GENERAL

September 26, 1978

Mr. James Monsour  
Legislative Analyst  
Legislative Research Commission  
Capitol Building  
Frankfort, Kentucky 40601

OAG 78 674

Dear Mr. Monsour:

In response to your letter of August 23, 1978, requesting an opinion as to the constitutionality of a proposed state-supported senior citizen discount program, please allow the following to serve as a reply. Specifically, you expressed the concern that such a program might unconstitutionally discriminate against other age groups not within the program.

The question presented in your letter deals with whether a state sponsored discount plan for senior citizens is discriminatory in violation of the Equal Protection Clause of the Fourteenth Amendment to the Constitution of the United States, and Sections 1 and 59 of the Constitution of the Commonwealth of Kentucky. The Fourteenth Amendment provides that, "No state shall . . . deny to any person within its jurisdiction the equal protection of the laws." It has been well recognized that laws are usually to some extent inherently "unequal." Almost every statute involves some disparity of treatment, with few statutes affecting everyone in the country in the same manner. The rule is well settled that a state may classify persons and objects for the purpose of legislation and pass laws applicable only to persons or objects within a designated class. 16 Am. Jur. 2d Constitutional Law §494, p. 859.

An essential requirement as to any classification, in order that it is not violative of the Equal Protection Clause, is that it must not be capricious or arbitrary, but must be reasonable and have a rational basis. In Rinaldi v. Yeager, 384 U.S. 305 (1966), the United States Supreme Court stated that the Equal Protection Clause requires ". . . that in defining a class subject to legislation, the distinctions that are drawn have 'some relevance to the purpose for which the classification is made.'" Where the statute in question does not affect a "fundamental right" or is not dealing with a "suspect classification," the Supreme Court has indicated that if the classification made by the statute is rational and furthers a legitimate governmental purpose, and where all members of the class are treated equally, the statute will be upheld as constitutional. Under this approach, a statute will be found to be constitutional if any state of facts may reasonably be conceived in its justification.

INTRODUCTION

Senate Concurrent Resolution 46 of the Regular Session of the 1978 General Assembly directed the Legislative Research Commission to investigate the feasibility of implementing a senior citizen discount card program in Kentucky. The full resolution is presented in Appendix 1.

Although there are more than nine hundred local senior citizen discount programs in the United States, only two states have implemented statewide senior citizen discount programs. This report describes the organization of the two existing statewide programs, current discount programs in Kentucky communities, and the requirements for the implementation of a statewide program for Kentucky. Recommendations regarding feasibility are based on three surveys of both potential business and senior citizen participants.

BACKGROUND

Of Kentucky's approximately 420,000 citizens sixty or older, almost one-fourth have yearly incomes under \$3,000. Nearly 46% have yearly incomes of less than \$6,000 and fully 59% have incomes of less than \$10,000 per year.<sup>1</sup> Because the vast majority of the expenditures made by these persons, many of whom are on fixed incomes, are for essential items such as food, clothing and household maintenance, inflation can have a catastrophic effect on their standard of living. Continuing increases in the cost of food, clothing and fuel have diminished the actual purchasing power of these persons, despite periodic upward adjustments in Social Security or private pensions.

In an attempt to ease the impact of inflation on senior citizens, retail businesses have offered discounts to the retired and the elderly for some time. Through individual merchants' efforts, programs sponsored by national, regional or local service organizations, and programs legislated by national, state and municipal governments, a wide range of goods and services are currently available at a reduced rate to Kentuckians aged sixty or older. These include health care products, prescription drugs, hotel-motel accommodations, vacation trips, university tuition waivers, public and private transportation fares and

<sup>1</sup> *Kentucky Elderly Needs Assessment*, Urban Studies Center, University of Louisville, 1978.

rentals, movie theatre tickets, fishing licenses and park and sporting event admissions. Discounts typically range from 5 to 40% .

Only as recently as 1971, however, has the concept of senior citizen discounts been expanded from the context of merchants acting individually, or interest groups acting solely in the interest of their members, to one of neighborhood or local senior citizen groups attempting by organized effort to obtain discounts from a local group of merchants.

As locally organized senior citizen discount programs have spread across the country, the concept of senior discounts have evolved to the state level. On this level, program organization and promotion are undertaken by an agency of state government, allowing the discounts available from retailers throughout a state to be consolidated under one program and making discounts available to the state's entire senior citizen population.

The recent implementation of state-supported senior citizen programs in Ohio and Delaware serves as the impetus for the investigation of the feasibility of such a program in Kentucky.

## APPENDIX 2

### SURVEY OF 146 BUSINESSES THAT PARTICIPATE IN 5 LOCAL SENIOR CITIZEN DISCOUNT PROGRAMS 52 Businesses Responding

1. What kind of ID is required for discounts *	
a. local discount program card	27
b. driver's license	11
c. Medicaid card	13
d. AARP	2
e. no ID required	11
f. merchant's own ID	3
2. Do you offer discounts to seniors not enrolled in a local discount program?	
a. yes	27
b. no	25
3. Do you display in your place of business a sign or decal that advertises discounts?	
a. yes	7
b. no	45
4. How many seniors take advantage of the discounts your business offers?	
a. less than 10 per week	28
b. 10 to 25 per week	11
c. 25 to 50 per week	4
d. more than 50 per week	9
5. Has your volume of business increased since you began offering senior discounts?	
a. yes	49
b. no	3
6. Would your business honor a statewide senior citizen discount card?	
a. yes	49
b. no	3
7. If a statewide discount card program became operational, what should be the age of eligibility?	
a. 60	8
b. 62	22
c. 65	22

\* Does not equal 49, as some businesses honor more than one ID

WHEREAS, groups of older persons consistently approach the General Assembly as to the need for a discount card program for the elderly;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Legislative Research Commission is directed to study the feasibility of implementing a Golden Age Discount Card program in the Commonwealth.

Section 2. The study along with any recommendations shall be reported to the appropriate interim joint committee of the General Assembly no later than December 31, 1978.

Section 3. Staff services to be utilized in completing this study are estimated to cost \$6,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

## CHAPTER I

### STATEWIDE DISCOUNT PROGRAMS

#### Ohio's Golden Buckeye Program

The Ohio Golden Buckeye Program originated in March, 1976, as a result of Governor James Rhodes' executive order. To implement the program the governor allocated approximately \$600,000 from his Comprehensive Employment Training Act (CETA) discretionary funds to the Ohio Commission on Aging.

The Golden Buckeye card enables any Ohio resident sixty-five or older to receive discounts on retail goods and services from merchants who voluntarily participate in the program. The size of the discount is left to the discretion of the participating business.

#### Organization

The Golden Buckeye Card Program is coordinated by the Ohio Commission on Aging in cooperation with the state's twelve area agencies on aging. The Commission's assistant director is responsible for the program's organization and administration.

For administrative purposes, the state is divided into twelve areas, each with a program field office or registration center. From these twelve offices, which may be located in a community social service office, a state office, or frequently, in the same office as the area agency on aging, twelve area coordinators supervise approximately ninety field representatives and senior volunteers.

The twelve area coordinators are each responsible for an area of four to ten counties. Their duties include:

1. Negotiating for temporary registration sites and special discount days;
2. Contacting prospective merchant participants within their area;
3. Promoting the program by arranging publicity;
4. Establishing permanent registration centers;
5. Supervising area staff and senior citizen volunteers who serve as clerks;
6. Screening businesses who enter the program (in cooperation with the Better Business Bureau);

7. Handling complaints from businesses and cardholders.

Observing the twelve area coordinators and their respective staffs are four regional coordinators, each responsible for three areas or approximately twenty counties. Although the regional coordinators work from the central office in Columbus, approximately 2,000 miles of travel per coordinator is required per month. Their prime responsibilities include:

1. Acting as a liaison between the central office and the area coordinators and field staff;
2. Contacting the larger businesses and national chains in their region regarding participation in the program;
3. Promoting the program by speaking before service clubs, civic and business organizations;
4. Training and developing the field staff.

In addition to the four regional coordinators, a program coordinator, an accountant/budget officer, a CETA counselor, a clerical supervisor, an administrative assistant, and approximately twelve clerks help administer the Golden Buckeye Card Program from a central office in Columbus. From this office a program budget is prepared, program funding is secured, CETA employees are hired and counseled regarding future placement, enrollment lists are computer-maintained and updated, county directories of participating businesses are issued, and the Golden Buckeye cards are processed and mailed to new applicants.

### Funding

Because the Golden Buckeye Program was designed to use untrained and so-called unemployable people to perform the day-to-day operational tasks of the program, it qualified for federal funding through the Comprehensive Employment Training Act (CETA). The CETA grants also permitted the hiring of a full-time professional staff, since 15% of the grants may be used for administrative costs.

During the program's first two and one-half years of operation, CETA grants totaled \$2.8 million. Approximately 90% of the program's annual \$1.1 million budget was provided through these grants, with the balance supplied by the state. Federal funding through the CETA program, however, expired September 30, 1978. Future funding for the Golden Buckeye Program has been budgeted at \$1.3 million for the period October 1, 1979 to September 30, 1980.

## APPENDIX 1



### GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

REGULAR SESSION 1978

SENATE RESOLUTION NO. 46

WEDNESDAY, MARCH 8, 1978

The following bill was reported to the House from the Senate and ordered to be printed.

A CONCURRENT RESOLUTION directing the Legislative Research Commission to study the feasibility of implementing a Golden Age Discount Card program in the Commonwealth.

WHEREAS, older persons in Kentucky and in the nation are a valuable resource and have contributed greatly to our society; and

WHEREAS, older persons in Kentucky and in the nation nearly always live on a limited, fixed income; and

WHEREAS, Golden Age Discount Cards would allow the elderly citizens of the Commonwealth to receive special purchase discounts at participating businesses; and

WHEREAS, similar Golden Age Discount Card programs exist in surrounding states; and

## Program Mechanics

To enroll in the Golden Buckeye Discount Program a person sixty-five years of age or older either visits a permanent registration site, such as a bank, library, or senior citizens center, or responds to a registration drive organized by the area headquarters at a local shopping center, or a public function, such as a county fair.

The senior citizen is asked to show proof of age, either with a valid driver's license, birth certificate, or other legal document. The application is forwarded by the field representative to the central office. The signed card is laminated and mailed to the applicant with a list of "do's" and "don'ts." Approximately ten days are required to process an application.

When a business is contacted and agrees to participate in the Golden Buckeye Program, a statement of intent, which includes the business name, type, address, statement of willingness to participate, percentage of discount, and days on which the discount will apply, is completed and signed by an officer of the business. The statement of intent commits the business to the program on an on-going basis.

Currently there are over 23,500 businesses participating in the program, and discounts are available from automobile dealers, attorneys, barber and beauty shops, clothing stores, home appliance stores, restaurants, dentists, doctors, and veterinarians. At the time a business enters the program, a program window decal is given to the merchant, identifying the business as a program participant.

The Ohio Commission on Aging prints the identification cards, decals, statements of intent, informational brochures and lists of participating businesses. Lists are compiled by county and are distributed through area headquarters. A new list is published annually, with addenda printed every three months. Commercial radio and television stations and local and statewide newspapers have provided free program publicity. Banks feature a Golden Buckeye card display providing program information.

The regional coordinators utilize a slide show when publicizing the program to civic groups, service organizations and others. Finally, a thirty-minute video tape program describing the history of the program and how a senior citizen participates in it has been shown through the facilities of cable TV stations throughout the state.

## **Program Status**

Since its inception, the Golden Buckeye Discount Program has enrolled more than 735,000 of the state's 1.1 million senior citizens. To the credit of an active registration program, it continues to grow at the rate of approximately 4,000 per week.

The response to the program has been very encouraging. Since the objective of enrolling a third of Ohio's sixty-five and over population the first year and the remaining two-thirds in two succeeding years will be met by the time the program becomes three years old in March, 1979, it has been judged an unqualified success.

As enrollment nears one million, the program will be evaluated in terms of future staffing and funding. Plans are indefinite at this time but maintenance level administration and operation is anticipated, in order to enroll the 2% of the Ohio population which will become eligible for the program each year. This suggests that future program budgets will be significantly lower than those of the first three years.

### **Delaware's Community Concern for Senior Citizens Discount Program**

The Delaware Senior Citizens Discount Program, begun in May, 1975, was conceived and developed by the Division of Aging of the Department of Health and Social Services and required no executive action or legislation to implement. Funding was provided from federal and state monies available in the division's budget.

The Delaware Senior Discount Program provides any Delaware resident sixty or older discounts on retail goods and services from merchants throughout the state who voluntarily participate in the program. As in Ohio, the discount rate is left to the discretion of the participating business.

## **Organization**

The Community Concern for Senior Citizens Program was initially administered by two persons working out of the Division of Aging's central office. One full-time staff person conducted the discount program, with additional help provided by senior citizens working on a part-time basis.

Because of the simple mechanics of the enrollment procedures and the small size of the target population, the Community Concern

## **APPENDICES**



## Merchant Participation

Business participation in a statewide senior citizen discount program would be on a voluntary basis. The merchant would sign a "statement of intent" to honor either a program I.D. card or other valid proof of age. Upon joining the program the merchant would receive a decal to be displayed in his establishment, identifying his business as participating in the state-supported discount program. *There would be no membership cost to the merchant.*

Typically, discount provisions might include a specified discount in the 5-40% range, discounts on specific items or services, or discounts on certain days of the week. Businesses themselves would determine the size and the condition of the discount.

In return for discounting merchandise, the merchant could expect to receive free "advertising" by virtue of inclusion in the directories of participating merchants. In both Ohio and Delaware, merchants have found that such publicity leads to increased traffic and sales volume.

Because the program would be voluntary, and because the proprietor would establish the discount and could withdraw from the program at any time, it may be reasonably expected that a sufficient number of businesses would be willing to become part of a state-supported senior citizen discount program.

## Publicity

Both the public and private sectors of the economy could be used to promote a statewide discount program. Initially, public broadcasting facilities and the Governor's Office of Volunteers could advertise the program. The volunteers could encourage the display of window cards in banks, public libraries, and at shopping centers. Local newspapers, local radio and television stations, as well as senior citizens centers, could promote the program further through public service announcements and local newsletters.

for Senior Citizens Program was implemented very quickly. For those same reasons, only one person is required now to maintain the program.

The program coordinator is an administrative assistant working in the central office of the state's Division of Aging. Her duties include:

1. Providing program information to the state's senior citizens and businesses;
2. Accepting new businesses into the program;
3. Updating the directory of participating businesses.

## Funding

Once again, the implementation of the Delaware Senior Citizens Discount Program required no special legislative appropriations. The program was funded through the Division of Aging of the Department for Health and Social Services with monies provided by the Older Americans Act and the State of Delaware. The personnel required to implement the program were paid with Title III money provided through the Older Americans Act.

Although specific figures are not available, the cost of implementing the Community Concern for Senior Citizens Program was relatively small, totaling approximately \$20,000.

The initial budget for printing was \$2,500. Since blank pages were provided in the brochure to allow senior citizens to pencil in business addresses as new businesses joined the program, no addenda have been printed as yet.

## Program Mechanics

To implement the Community Concern for Senior Citizens Program the Division of Aging hired one senior citizen full-time for six months and eight senior citizens to work two days under the supervision of the program coordinator, in the division's central office in Wilmington.

Early in 1975, approximately 150 businesses already participating in local discount programs throughout the state were informed by letter of the program's intention of combining all the local discount services into a statewide service. Each business was asked to sign a letter of intent specifying the type of merchandise to be discounted and any stipulations for discounts. Window decals were mailed to participating businesses upon the receipt of a statement of intent.

The senior citizen staff members were responsible for these mail-

ings and for soliciting participation from businesses not discounting merchandise in local programs. A brochure listing the participating businesses by county (Delaware has 3 counties) and business type was distributed in the fall of 1975. Ten thousand copies of this directory were mailed to senior citizens throughout the state. In order to minimize mailing costs, program information was included in the directories.

Delaware, unlike Ohio, did not strive to issue a uniform discount card to its 73,000 eligible citizens. Rather, those without such identification as local merchant discount I.D. cards, senior citizens center cards, driver's licenses and Medicaid cards were provided an identification card by the Division on Aging.

This card may be obtained from one of the sixty-seven senior citizens centers and nutrition facilities throughout the state. With proof of age a senior citizen can patronize any businesses displaying the program decal and receive a discount. The directory of businesses is also available upon request either directly to the Division or through the local senior citizens centers.

Delaware businesses were actively recruited into the program at first, but after the initial thrust of the program the business community began to contact the Division of Aging so that recruitment no longer became necessary. Over two hundred businesses currently participate in the program.

The Community Concern for Senior Citizens Program was initially publicized through the statewide newsletter on aging and by the educational television network. Like Ohio, Delaware also used public service announcements on radio and television, and program time donated by commercial stations to initially inform the public of the program. At present the program is not being publicized.

#### Program Status

Since 1975, the Delaware Community Concern for Senior Citizens Program has been largely self-perpetuating and hence has not required an extensive administrative structure or burgeoning operating budget.

Businesses and consumers throughout the state are aware of the program and are steadily joining its ranks, without having to be recruited. Presently, one full-time administrator working in the agency's central office accepts businesses into the program, forwards program brochures to new enrollees, and is responsible for correspondence.

For these reasons, the most immediate as well as the surest source of funding for both the implementation and continuation of a proposed discount program is available at the state level.

Since a grant from the Governor's Contingency Fund made possible the implementation of the Accent on the Elderly Program, a statewide discount program utilizing similar administrative organization might be funded in the same manner for the three years required to implement a program. Further, because the proposed program would be self-perpetuating after it became widely known, and hence would require minimal administration and funding, additional funding for program maintenance could be provided through an appropriation to the Center for Aging Services.

#### Eligibility and Identification

The age of eligibility for a statewide senior citizen discount program should be sixty-five. Two surveys undertaken for this study indicate that a majority of businesses canvassed felt that a lower eligibility age would entitle some people not yet retired to discounts. Businesses, then, would be more likely to participate in a program that set eligibility at sixty-five.

Under an administration as described above, persons sixty-five and older would be eligible to participate in the proposed program by presenting valid proof of age, such as a driver's license or birth certificate, to participating businesses. Approximately half of the total senior citizen population would be eligible to participate in the program immediately, since 52% of the sixty and over population have driver's licenses.<sup>2</sup>

A survey of senior citizens sixty and over currently enrolled in local discount programs supports this finding, as 51% of the respondents stated that they had driver's licenses. Persons without identification of this sort would be encouraged to obtain photo identification cards from their local circuit court clerk at a cost of \$2, or a free program identification card from senior citizens centers or local social services agencies. This arrangement would limit the initial program cost considerably, since printing costs would be reduced and photography costs eliminated.

<sup>2</sup>Ibid.

At the end of the first year, the program would be self-perpetuating to some degree.

Since it is projected that by 1980 there will be approximately 388,000 Kentuckians sixty-five or older, (See Appendix 5), enrolling one-half or 200,000 the first year should be a realistic objective.

The program, therefore, could be implemented in three years, with \$165,359 required for the first year and smaller amounts, whose total would not exceed the initial outlay, required each succeeding year. The staff to administer the program could be reduced by half each of the next two years, so that by the third year one program coordinator and one clerk/typist could maintain the program. The resulting first year budget would be as follows:

Regional Coordinators	\$ 67,440
4 x 16,860	
6 mo. increment 16,860 x 5% x 4	3,360
Fringe @ 16%	10,790
Travel 4 x 9,600 x .16	6,144
Clerk/Typists (5)	\$ 34,980
5 x 6,996	
6 mo. increment 6,996 x 5% x 5	1,740
Fringe @ 16%	5,597
Office Space (4)	\$ 6,000
Telephones	2,200
Supplies	8,725
Printing (See Table III)	\$ 19,117
Total	\$165,359

### Funding

In the earlier consideration of potential federal sources of funds, several drawbacks were identified. Such funds (1) are contingent upon the cooperation of a number of public service agencies or the synchronization of their respective programs; (2) require the submission of a project proposal and the approval of the same after a lengthy and thus prohibitive review process; and (3) depend on priorities at the service delivery level, since other proposals are vying for the same money.

## CHAPTER II

### KENTUCKY SENIOR CITIZEN DISCOUNT CARD PROGRAMS

Seven local discount programs for senior citizens currently operate in Kentucky. (See Table 1.) A short description of each of these programs follows.

#### Covington and Northern Kentucky

The Covington Catholic Social Services Bureau, in cooperation with the Transit Authority of Northern Kentucky (TANK), has been working to implement a senior citizen discount program since May 1977. The program, called Senior Care & Share, has attempted to secure discounts for persons sixty-five and older from merchants in Kenton and Campbell Counties.

The Catholic Social Services Bureau, area senior citizens centers, the Social Security Administration, and the TANK central office function as permanent registration sites for the TANK reduced-fare identification card. This card can be used by older persons for reduced fares on local transit systems and to obtain discounts at merchants participating in the Senior Care & Share program. Approximately eight thousand persons have registered for the TANK card; some twenty businesses honor it.

One Catholic Social Services staff member coordinates the program on a part-time basis. The active recruitment of businesses into the program is therefore hindered somewhat by the lack of staff time allotted. Nevertheless, businesses continue to be solicited for participation in the program. A list of merchant participants is provided for each of five senior citizen centers in the area.

#### Frankfort

The Franklin County Council on Aging, through the Franklin County Senior Citizens Center, has the oldest operating senior citizen discount program in Kentucky. The program began in 1970 and currently has an enrollment of 3,300. A simple membership card, without photo or birthdate, is issued to the senior citizen when he or

she joins the senior citizens center. This card is good for one year and entitles the bearer to discounts at Franklin County merchants who have agreed to discount merchandise or services for citizens who are sixty or older.

The senior citizens center director administers the program. The program is not budgeted separately but considered a "gap service" to be provided with existing personnel and facilities funded through Titles III and IV of the Older Americans Act, state and local funds, and private contributions.

Area merchant participation is solicited by letter at the beginning of each year. Participating businesses sign a statement of intent, indicating the discount offered and the merchandise or services to be discounted. Approximately sixty businesses now participate annually.

#### Louisville

Senior Citizens East, an organization of senior citizens centers in Eastern Jefferson County, provides the opportunity for area seniors to purchase discounted merchandise in the St. Matthews, Pewee Valley, Jeffersontown and Buechel communities.

As in Franklin County, persons age sixty are eligible to become members of these senior citizens centers. A membership card issued by the senior citizens center entitles the bearer to discounts at participating businesses.

The discount program began October 1976. Like Franklin County's, the discount program is not budgeted separately but is operated with existing personnel and facilities funded by the Older Americans Act, state and local funds, and private contributions.

Approximately fifty businesses participate and over 6,000 persons are eligible for discounts by virtue of being members at one of the senior citizens centers.

One staff member divides her time between social work and actively inviting merchants to join the program. A list of participating businesses is published on a periodic basis in the monthly newsletter.

#### Louisville (TARC)

The Transit Authority of River City (TARC), in cooperation with the Jefferson County Council on Aging, began a six-month photo-identification registration project in March 1978, designed to provide photo I.D.'s for twenty-five thousand local senior citizens and handicapped persons.

## CHAPTER IV

### CONCLUSIONS AND RECOMMENDATIONS

The success of seven currently operating discount programs in Kentucky indicates that the concept of a senior citizen discount program is a viable one. Local programs could be more effective, however, if they were better publicized and if discounts covered the products and services most in demand. Because local programs lack both the staff and funding to expand their programs the establishment of a statewide program seems indicated, if discounts on more items are to be made available to more senior citizens.

#### Administration

The present study concludes that a statewide senior citizen discount program could best be administered by the Accent on the Elderly staff working in cooperation with the Center for Aging Services and the Governor's Office of Volunteers. This conclusion is based on the premise of making a program operational with the smallest staff possible at the least expense to the taxpayer. Additionally, it was felt that for reasons cited below, a proposed program could be implemented more rapidly and with the least difficulty under this arrangement.

The program would be administered by the director of the Center for Aging Services in Frankfort, through four area coordinators, each responsible for one-fourth of the state's over sixty-five population. The area coordinators, working out of field offices, would utilize both the existing levels of social services delivery and the in-place volunteer network, provided by the Governor's volunteers, to implement and operate the program.

Initially, the area coordinators would invite businesses currently offering discounts to local customers to extend their discounts to all Kentucky residents sixty-five and older. At the same time, volunteers would enlist the participation of all other businesses, giving high priority to providers of food, clothing, and health care services, and issue identification cards through senior citizens centers. When a targeted number of businesses had been enrolled, directories of participating businesses would be distributed through local senior citizens centers, Title III (Social Services) sites and Title VII (nutrition) sites.

## Additional Considerations

Some members of the business community have voiced a number of objections to and suggested potential pitfalls of a proposed state program. The first and most frequently voiced concern is whether a program of this type would be discriminatory and hence unconstitutional. A recent opinion of the Attorney General, however, indicates that such a program could not be considered unconstitutional, if it were founded on a "rational basis." (See Appendix 3.)

Several court cases establish precedent for the writing of a senior citizen discount law that would not violate the equal protection clauses of the U.S. or Kentucky constitutions. Further, "almost every statute involves some disparity of treatment, with few statutes affecting everyone. . . in the same manner." The state therefore "may classify persons and objects for the purpose of legislation and pass laws applicable only to persons or objects within a designated class." (See OAG in Appendix 3.)

Other concerns expressed have been summarized in a letter from the Kentucky Chamber of Commerce: (1) Businesses cannot reasonably be expected to volunteer for a program that would reduce their profits; (2) the program is subject to political abuse; and (3) the program would tend to be an advantage for smaller businesses at the expense of larger firms. (See Appendix 4.)

Although many businesses have expressed a lack of interest in such a program, many others would be willing to participate. The Jefferson County Council on Aging, for example, has enlisted 150 prospective business participants in a proposed discount program that would serve all of Jefferson County. Further, several special interest groups have indicated their membership endorses a statewide discount program and would participate if it were implemented.

The program would be an advantage for smaller businesses in its initial stages. However, as larger businesses joined the program, one segment of the business community would not benefit at the expense of another. Since discounts would be available at a number of establishments, both large and small, the senior citizen could be expected to patronize both small and large businesses.

Regarding political abuse, a proposed discount program operated by a governmental agency would be subject to the same abuses other governmental programs are. However, because a program like those recommended would require a relatively small budget, be administered by a staff decreasing in size in successive years, and rely on voluntary participation, the potential for political abuse could be minimized.

The TARC photo I.D. enables persons sixty-five and older to ride TARC coaches at reduced fares and provides photo identification which will later be used to secure discounts from Louisville merchants.

Comprehensive Employment Training Act (CETA) funding was used to purchase photo equipment and hire camera operators. Total cost was \$44,000. Local senior citizens centers and the TARC central office served as registration sites. Cards were issued for fifty cents and proof of age was required. The laminated card has the bearer's address and social security number, but not his date of birth.

Besides enrolling seniors in the TARC reduced-fare program, CETA employees solicited businesses' participation in a proposed senior citizen discount program. Approximately one hundred fifty merchants agreed to honor the card for discounts.

The project ended September 30; the Jefferson County Council on Aging hopes to continue recruiting both senior citizens and businesses. TARC published a directory of businesses honoring their reduced-fare card in November.

## Madisonville

The Hopkins County Senior Citizens Center has operated a discount program for those sixty and older since June 1976. Senior citizens center membership cards entitle them to discounts at participating merchants in Madisonville, Greenville and Dawson Springs. Membership dues are \$2 annually. The membership card is known as the "Governor's Card," as it is signed by the Governor, and it testifies that the bearer is a senior citizen of the Commonwealth; no photo, date of birth or other information is included.

The discount program is not budgeted as a separate item, nor is it staffed by personnel assigned exclusively to it. As in the discount programs at other senior citizens centers, it is the part-time task of one staff member to contact businesses. A list of participating businesses is given to the senior at the time he or she becomes a member of the center. Updates are printed in the monthly newsletter. Approximately twenty businesses presently participate.

## Mount Vernon

The Rockcastle County Senior Citizens Center issues a laminated membership card which entitles members to discounts at ten Mount Vernon businesses. The discount program began in December 1976 and serves 125 senior citizens.

Eligibility begins at age sixty. The \$1.50 membership fee covers the cost of printing cards. The bearer's name and the date of issuance are included on the card.

Because Mount Vernon is a very small community, most area merchants have been contacted about the discount program. However, the director of the senior citizens center continues to contact merchants as the need arises. A list of participating businesses is distributed to new senior citizens center members.

Because the program is an extra service of the center and because it operates on such a small scale, its budget is minimal, and hence considered as part of the center's overall operating budget.

## Murray

Murray/Calloway County Senior Citizens, Inc. has operated a senior citizen discount program for five years. Members of the senior citizens center may take advantage of discounts offered by Calloway County merchants. To enroll in the program a person must be sixty years old. He is asked to make a donation at the time a membership card is issued. Most seniors donate \$3 for the card, which contains no photo or birthdate and is good for one year.

There are seven hundred members of Murray/Calloway County Senior Citizens, Inc. and sixty-seven businesses participate in the discount program. A directory of participating merchants is published each year; updates are printed in the monthly newsletter. Businesses join the program by signing a statement of intent at the beginning of the year. There is a turnover of approximately ten to twelve businesses each year.

Funding to operate the discount program is not budgeted separately. Money and staff required come from the reservoir of funds provided under the Older Americans Act, state and local funds, and private contributions.

## Key Findings

1. Half of these businesses offer discounts to any senior, not merely those enrolled in a local discount program.
2. Almost half honor forms of identification other than local senior citizens center membership cards.
3. A majority do not display a decal or sign signifying participation in a local discount program.
4. A majority would participate in a statewide program.
5. A majority believed the age of eligibility for a proposed statewide program should be sixty-two or sixty-five.

## Kentucky Elderly Needs Assessment

Two questions, one designed to ascertain the type of identification seniors ordinarily carry, and the other to indicate the items seniors would like to receive discounts on, were included in the recent Kentucky Elderly Needs Assessment undertaken by the Urban Studies Center at the University of Louisville. A random sample of 2,100 Kentuckians age sixty and older throughout the state responded to these questions.

## Key Findings

1. 52% of those polled carry a valid driver's license.
2. From a list of seven items, respondents ranked food, medicine and clothing as the three items they would be most interested in receiving a discount on.

## Survey of Special Interest Groups

The Kentucky Dental Association, the Kentucky Gasoline Dealers' Association, the Kentucky Hotel and Motel Association, the Kentucky Restaurant Association, the Kentucky Veterinary Medical Association, the Kentucky Wholesale Grocers' Association and the National Home Remodelers were asked to poll their members regarding interest in a statewide discount program, the appropriate eligibility age for participants, and the necessity for program identification cards. The initial response of three of these groups has been favorable and they are currently polling their membership regarding these issues.

compiled by the University of Louisville, and from special interest groups who polled their respective membership regarding members' interest in a proposed program.

In addition, ninety-five unsolicited petitions calling upon Governor Carroll to establish a Golden Age Discount Card Program in Kentucky were received from the Catholic Social Services Bureau in Covington. Two thousand, one hundred forty-one persons, from Bellevue, Cold Point, Carrollton, Covington, Florence, Fort Thomas, Newport and Warsaw, signed the petitions.

### Survey of Senior Citizens Eligible to Participate in Local Discount Programs

Questionnaires were distributed through senior citizens center newsletters to 9,125 persons eligible to participate in five local discount programs operated by senior citizens centers. Responses were received from 1,200 (13%) of those surveyed.

#### Key Findings

1. A majority have a yearly income of under \$6,000.
2. Approximately one-half do not use their membership cards for discounts. Reasons most often cited were:
  - a. did not know about program
  - b. discounts not available on needed items
3. Of those using membership cards for discounts, the majority use theirs once a month.
4. A majority have valid driver's licenses.
5. A majority are willing to travel outside of their immediate community or county to obtain discounts.

### Survey of Businesses Currently Participating in Locally Organized Discount Programs

Questionnaires mailed to 146 businesses currently offering discounts through local programs in Covington and Northern Kentucky, Eastern Jefferson County, Frankfort, Madisonville and Mount Vernon, brought fifty-two responses (38%). A copy of the survey and a tabulation of responses are found in Appendix 2.

TABLE 1  
LOCAL SENIOR CITIZEN DISCOUNT PROGRAMS  
IN KENTUCKY: September, 1978

Location	Sponsor	Eligibility	Enrollees	Businesses Participating
Covington & Nor. Ky.	TANK (Transit Authority of Nor. Ky.)/ Senior Care & Share	65 yrs. old	8,000	20
Frankfort	Franklin Co. Senior Citizens	60 yrs. old	3,300	60
Louisville (Eastern Jefferson Co.)	Senior Citizens East	60 yrs. old	4,000	50
Louisville	TARC (Transit Auth. of River City)/Jeff. Co. Council on Aging	65 yrs. old	10,000	150
Madisonville	Hopkins Co. Senior Citizens	60 yrs. old	1,000	20
Mount Vernon	Rockcastle Co. Senior Citizens	60 yrs. old	125	10
Murray	Murray/Calloway	60 yrs. old	700	80

## Expanding Existing Local Programs

If the seven local discount card programs currently operating in Kentucky, only one, the Louisville TARC photo registration project, offers the possibility of being the nucleus for a larger statewide program. Considerable obstacles, especially in administration and funding would have to be surmounted, however, before the TARC program could be expanded throughout the state.

Such expansion would require the purchase or leasing of additional photo I.D. systems. These costs are detailed in Table II. Each photo system would require an operator. Registration sites, both permanent and mobile, would have to be established. Further, a supervisory staff both for training and registration scheduling would be necessary.

Although the TARC project was able to secure a \$44,000 CETA grant to provide reduced-fare photo identification cards to 25,000 persons sixty-five and over, CETA guidelines would prohibit the granting of additional funds for the continuation of this project. Since project funding expired October 1, 1978, an expansion of the TARC project would require a new source of funding.

Theoretically, similar project proposals could allow four other parts of the state to implement photo registration programs (as discussed above). However, because such projects must be submitted through a non-profit organization or governmental unit acting as the prime sponsor, the cooperation of the Covington, Lexington, Eastern Kentucky and the Balance of State prime sponsors would have to be secured before a uniform photo identification project could be undertaken simultaneously throughout the state. Even if four such projects were submitted, approved and implemented simultaneously, however, federal funding would be available for only one year.

For these reasons, the incorporation of existing local programs into an administrative structure provided by an agency of state government seems more attractive. Since expanding current programs is not economically feasible, expanding the scope, i.e., through participation in a statewide program, offers the best alternative.

## Public and Business Interest

In order to assess the need for and interest in a statewide senior citizen discount program those senior citizens and businesses currently participating in local discount programs were polled. Additional data were gathered from the Kentucky Elderly Needs Assessment Survey.



## Promotion

Whether or not uniform program identification is required by the participating merchants, the printing of window cards, decals, information brochures and letters is necessary to the operation of the program. Likewise, the enlisting of businesses and the promotion of the program are two functions necessary in the operation of a statewide discount program, as successful local programs have shown.

The state printing and duplicating center suggests that the quantity of printed matter required for a statewide program and the facilities needed to produce all the specified items indicate that a private firm could provide printing services at the most economical rate. The necessary printed items include window cards, decals, information brochures, letters of intent for business participants and directories of participating businesses.

Window cards would be used to identify registration sites or sites where program information would be available. Decals would be placed in the windows of participating businesses signifying their participation in the program. Information brochures and statements of intent would be mailed to prospective business participants. Finally, directories of participating businesses in each ADD would be distributed to senior citizens. Printing costs for these items are detailed in Table III.

TABLE III  
PRINTED MATERIALS  
INITIAL COST OUTLAY\*

SUPPLIES	PURPOSE	QUANTITY	TOTAL
Application for I.D. card	Program enrollee identification	175,000	\$ 2,700
Brochures	General information	175,000	1,630
Decals	Identifying participating businesses	5,000	787
Directories	List participating businesses	200,000	12,200**
Letter	Merchant information	5,000	250
Letter	Statement of intent	5,000	250
Window cards	Registration site identification	5,000	1,300
Total Cost			\$19,117

\* Includes artwork and layout

\*\* Separate directories for each Area Development District

## CHAPTER III

### REQUIREMENTS FOR A STATE-SUPPORTED SENIOR CITIZEN DISCOUNT PROGRAM

For the purpose of this study, a state-supported senior citizen discount program is defined as a program sponsored and operated by a designated agency of state government. Such a program would have the following objectives:

1. To provide the means for Kentucky's older population to purchase retail goods and services at a discount;
2. To enlist participation from retail businesses and services throughout the Commonwealth;
3. To establish a workable procedure at a minimal cost for the continuation of the program so that Kentucky's older population can be admitted as they reach eligibility age.

In order to determine whether a state-supported senior citizen discount program might be carried out, the following issues will be examined:

- Administration
- Funding
- Eligibility and Identification
- Promotion
- Expansion of existing programs
- Business and public interest

#### Administration: Alternatives Considered

The administration of a proposed statewide senior citizen discount program was explored initially from the perspective of the Ohio and Delaware experiences being adapted to the requirements of Kentucky. Administrative alternatives unique to Kentucky were also considered.

## Bureau for Social Services

To pattern a discount program on Ohio's, the administrative structure of the Bureau for Social Services' Center for Aging Services should be considered. The Center for Aging Services utilizes a network of fifteen area agencies on aging to administer programs funded by the Older Americans Act. These agencies, in turn, contract for the delivery of services with local senior citizens centers, community organizations and churches. This administrative structure permits the delivery of transportation, nutrition, and other services to the aged throughout the Commonwealth.

Such a structure might be utilized to implement a statewide senior citizen program, with the Center for Aging Services acting as project developer. Field administration would be done at the district level through the fifteen area agencies on aging.

These agencies could advise on questions of physical space required to establish field offices. Program offices could be established in the fifteen area development district offices, in community social service offices, or in offices of state government. A program coordinator, responsible to the director of the Center for Aging Services would be required.

His duties would include:

- (1) definite manpower and material needs;
- (2) formulating the costs of operating the program;
- (3) training field coordinators;
- (4) performing public relations functions;
- (5) handling informational requests and correspondence; and
- (6) coordinating the efforts of the area program staff. A clerk/typist would also be needed.

Initially, then, thirty staff members, i.e., one district coordinator and one clerk/typist for each field office, would be needed. The field coordinators would work with the area agency on aging to (1) develop a volunteer labor force to enlist merchant participation; (2) prepare a directory of merchants participating in the program; (3) promote the project throughout the area; and (4) coordinate the efforts of the local program staff. Each field office would serve as a registration site, where a uniform statewide senior citizen discount card would be issued.

To initiate this program, the field coordinators would begin by contacting businesses, enlisting their participation. Registration drives and sign-ups for discount cards would be promoted shortly thereafter through volunteer effort with local media and participating businesses providing publicity. Directories of the participating businesses would

ture taken at a registration site and moments later walk out with a laminated photo I.D. similar in size and shape to a Kentucky driver's license. One photo I.D. costs fifty-four cents. The program cost for photo I.D.'s is estimated at \$128,847 excluding service costs.

TABLE II  
PHOTOGRAPHIC EQUIPMENT

### INITIAL COST OUTLAY TO PURCHASE

SUPPLIES	UNIT COST	QUANTITY	TOTAL
I.D. system	\$2,102.40	20	\$ 42,048.00
Backdrops	9.95	20	199.00
Validation Plates	39.80*	20	850.73
Film	.33	175,000	57,750.00
Plastic for Lamination	.16	175,000	28,000.00
Total			\$128,847.73

\* Validation plates are \$54.73 for an original and \$39.80 for each duplicate. They imprint the program logo on the I.D.'s.

The use of photo I.D. systems already owned or leased by various agencies of state government, in lieu of their purchase or leasing directly from the vendor, might also be considered. At present, the Bureau of Motor Vehicles leases 144 of these systems from the Polaroid Corporation. The systems are used by circuit court clerks in the issuance of driver's licenses and identification cards. The circuit court clerks throughout Kentucky might therefore be used to enroll persons in a statewide senior citizen discount program.

To provide discount program identification in this manner, however, the BMV's contract with Polaroid would have to be renegotiated, since the present arrangement is postulated on a projected number of driver's licenses and I.D. cards to be issued annually. Additionally, the photo systems would frequently have to be moved out of their respective courthouses in order to enroll those persons unable to visit the courthouse. For this reason, the Bureau of Motor Vehicles would be reluctant to participate. Finally, senior citizens in the past have disapproved this type of identification or have complained of its cost.

person may be said to become a senior citizen at sixty, sixty-two or sixty-five.

Opinion regarding the eligibility age for a discount program was solicited for the present study from 146 businesses currently participating in five local programs. Special interest groups were also asked to poll their membership on this issue. Responses were received from fifty-two (36%) of the businesses polled and five of the seven special interest groups contacted.

Forty-two percent of those businesses said that if a statewide discount program should be implemented, they would discount merchandise or services for persons sixty-five and older, while only 15% (eight respondents) were willing to move the eligibility age to sixty.

Similarly, those special interest groups favoring a statewide discount program—namely, the Kentucky Restaurant Association, the Kentucky Hotel and Motel Association, and the Kentucky Veterinary Medical Association—see sixty-five as the preferred age of eligibility since this is thought to be the common retirement age.

Because a statewide senior discount program could either require issuance of an identification card to program participants or merely allow them to use any standard identification, both alternatives are considered here.

#### I.D. Cards

To provide program identification to all participants, the program administrator would issue an easily recognizable card, uniform in design, processing and distribution. The senior citizen would enter a designated sign-up location, fill out an application, and, within a few days, receive a permanent laminated card. In Ohio the cost per card is fourteen cents. The major drawback of this arrangement is that it requires a large clerical staff to enroll registrants and process their applications. Postage and the maintenance of numerous registration sites represent additional costs.

#### Photo I.D. Cards

To provide photo identification for program enrollees, the purchase or leasing of instant photo I.D. systems is necessary. Application procedures would be the same as in a program issuing paper I.D. cards, but the processing of the I.D. card would be accomplished in a matter of minutes, since instant photo I.D. systems include camera, laminator, and die cutter. An applicant could therefore have his pic-

then be distributed to the senior citizens at the registration site. Enrollment might be targeted at one-third the eligible population the first year and the remaining two-thirds for the succeeding two years. The resulting budget would remain approximately the same for the three years. At the end of the three-year period the program could be evaluated, with administration reduced to maintenance level.

A program as described above is estimated to require the following budget:

Project Coordinator	\$ 22,584
Increment	1,128
Fringe @ 16%	3,614
Travel	
2,400 x .16	384
Administrative Secretary	\$ 7,716
Increment 7,716 x 5%	396
Fringe @ 16%	1,235
Field Coordinators (15)	\$171,180
15 x 11,412	
Increment 11,412 x 5% x 15	8,430
Fringe @ 16%	27,388
Travel	
15 x 6,000 x .16	9,400
Clerk/Typists (15)	\$ 86,400
15 x 5,760	
Increment 5,760 x 5% x 15	4,320
Fringe @ 16%	13,384
Office Costs	
Telephones/Postage	7,500
Supplies	8,725
Printing (See Table III)	\$ 19,117
Total	\$392,901

#### Community Action Agencies

The Kentucky Association of Community Action Agencies (KACAA), although not an arm of state government, has the capabili-

ty to act as developer and organizer of a statewide senior citizen discount program. Community Action Agencies are social service organizations which contract with federal and state agencies for the delivery of social services to low-income groups at the local level. As such, they have extensive experience with Kentucky's older population, often staffing and providing the facilities for local senior citizens centers and nutrition sites.

Currently, Kentucky's twenty-two CAA's coordinate the Weatherization and the Governor's Elderly Gardening Opportunities Programs, two statewide programs for senior citizens. The CAA's work cooperatively with other social service agencies and use volunteers extensively. Community Action Agencies could obviously initiate and coordinate a statewide senior citizen discount program.

According to KACAA officials, their approach would be to hire a project coordinator and provide office support within the association's present network of CAP agencies. The project coordinator would be responsible for organizing the entire endeavor and administering the project. Thirty part-time staffers (two per Area Development District) would be employed to function as local business recruiters. Eligibility would begin at sixty and any valid proof of age would serve as identification.

The budget would be based on the salary of \$3 per hour for a business recruiter, working a maximum of 1,040 hours per year. Fringe benefits, including FICA, workmen's compensation, and unemployment insurance would amount to an additional 10%. Compensation for travel would also be included.

#### Budget \*

Project Coordinator		\$ 10,300
Fringe @ 15%		1,545
Travel		600
Office Costs		\$ 2,700
Telephone	\$1,200	
Supplies	400	
Postage	540	
Photocopying	200	
Space	360	

#### Older Americans Act, Title III

Title III of the Older Americans Act might also be considered as a source of funds for the program. Under this title model projects designed to address a predetermined need or to provide a necessary social service are awarded grants by the Administration on Aging.

The New York City senior citizens discount program, begun in 1971, was initially funded with Title III model project money. In Kentucky, however, Title III model project money is not likely to be awarded for a discount program, since assessments of elderly needs in the Area Development Districts have indicated that in-home services, protective services, and transportation services are the high priorities with local agency councils and the area agencies on aging. Hence, model project monies are likely to be restricted to these areas in the foreseeable future. Additionally, the earliest date a project proposal could be submitted is June 1979, meaning that funding, if approved, would not be available until January 1980.

#### Social Security Act, Title XX

Title XX of the Social Security Act provides funding for the delivery of social service programs, like Group Home Care and Homemaker Services, to low-income individuals meeting federal income eligibility guidelines. Services are delivered by public and private agencies on the local level.

Approximately 60,000 to 75,000 persons sixty and older presently qualify for programs funded from this source. Hence, Title XX might be considered a possible funding mechanism for a senior citizen discount program. However, as social services provided by these funds are tied to income, such a program would require the participant to divulge his income. Since many senior citizens are reluctant to do that, the requirement would further reduce the number of prospective participants. Title XX funding for a statewide senior citizen discount program with unrestricted eligibility, therefore, is not feasible.

#### Eligibility and Identification: Alternatives

Local senior citizens centers and aging program administrators recognize sixty as the eligibility age for their services. Eligibility for Social Security retirement benefits, however, begins at age sixty-two. Further, the traditional age for retirement has been sixty-five. Thus, a

program; and (2) the cooperation and coordination of the five prime sponsors through which these funds are distributed in Kentucky's 120 counties.

The use of untrained personnel would require an administrative structure similar to Ohio's, in order to provide the training required under CETA funding guidelines. Also, because CETA project proposals must be sponsored by a non-profit organization or governmental unit, the cooperation of the Covington, Lexington, Louisville, Eastern Kentucky and Balance of State prime sponsors would be necessary before the program could be undertaken simultaneously throughout the state. Further, the TARC photo registration project, already funded through CETA, is not eligible for continued funding from this source. Likewise, a similar project for Louisville would be disqualified by CETA guidelines. With the fragmentation of funding through five prime sponsors, funds to implement a proposed program could not be assured. Moreover, funding from this source would expire after one year. Program continuation would, therefore, require funding from another source.

### Higher Education Act, Title I

Another possible source of funding is Title I of the Higher Education Act. Under this Title, seed money is awarded through the Council on Higher Education to universities for one-year training projects. The Council is currently emphasizing community service and has recently awarded money under this title to a gerontology project sponsored by the University of Kentucky. Under an administrative proposal like that described under "Bureau for Social Services" above, college students could function as regional coordinators in a statewide discount program sponsored by a Kentucky university.

A number of obstacles, however, would have to be surmounted before funding a statewide discount program under Title I. First, the project proposal would have to be initiated by a state-supported university. Second, the need for a discount program would have to be quantified by the university submitting the project proposal. Third, project proposals would have to be submitted to the Council on Higher Education for review in September, with funding of the proposal, if approved, not available until the following September. Finally, project proposals are usually funded for one year, indicating that continuation funding of a proposed program would have to come from another source.

Business Recruiters (30)	\$ 93,600
30 x 1040 x 3	
Fringe @ 10%	9,360
Travel	18,800
<b>** Total Budget</b>	<b>\$136,905</b>

- \* Figures supplied by Kentucky Association of Community Action Agencies.
- \*\* Does not include costs of \$16,417 for the printing of directories of participating businesses, informational brochures, window cards and decals necessary to operate the program. These costs are summarized in Table III.

### The Governor's Office of Volunteer Services

The Governor's Office of Volunteer Services, administered by the Executive Department of Finance, is a service agency whose thirty thousand volunteers currently participate in five programs encompassing all 120 counties of the Commonwealth. This office could be given the assignment of operating the statewide senior citizen discount program, with central coordination of the program from the Frankfort office. The county-level recruitment of businesses and promotion of the program would be handled by volunteers from organizations such as the Kentucky Jaycees, the Kentucky Federation of Women's Clubs, the Kentucky Business and Professional Women's Club, and the Kiwanis Club.

The Governor's Office of Volunteer Services approach to this program would be not to issue identification unless it was required by applicants who lacked proof of age. The Governor's Card, indicating that the bearer is a senior citizen, could be distributed to these persons.

A project coordinator in the central office and supervisory staff for each ADD would be necessary to coordinate all program activity at the county level. Office space could be provided by an agency of state government within each ADD, minimizing the initial office cost outlay. Publicity for the program and printing costs could be absorbed by the Governor's Office of Volunteer Services' budget, which would be supplemented as necessary. The Administrative structure would allow the program to be publicized extensively at a minimal cost.

Budget	
Project Coordinator	\$ 14,560
Increment	728
Fringe @ 16%	2,330
Travel \$200/month	2,400
Secretary	\$ 7,716
Increment	385
Fringe @ 16%	1,234
Supervisory Staff (5)	\$ 62,880
4 x 12,576	
Increment	3,243
Fringe @ 16%	10,060
Travel 24,000 x .16	3,840
Printing (See Table III)	\$ 19,117
<b>Total</b>	<b>\$128,493</b>

#### Accent on the Elderly Program

The Accent on the Elderly Program was begun in July 1977 with program funding provided by the Governor's Contingency Fund. It is administered by the Bureau for Social Services, with the director of the Center for Aging Services acting as program director. Four full-time professionals work from field offices under the direction of the Center for Aging Services in Frankfort. Each field coordinator is responsible for promoting the program and organizing planned recreational activities throughout the state. For program purposes the state's fifteen Area Development Districts are divided among the field coordinators, so that each services approximately an equal share of the state's elderly population.

Field coordinators travel throughout their designated regions weekly. They work through the ADD aging planners to identify or assess needs and through the Bureau for Social Services, senior citizens centers, church groups and other organizations to implement programs. By utilizing the variety of service levels and social service facilities already in place, they are able to reach a large percentage of the state's senior citizens. Thus the Accent on the Elderly staff or one of comparable structure might be used to initiate a statewide senior citizen discount program.

The recruitment of businesses and promotion of the program would be the responsibility of four area coordinators working with the social services network described above. The director of the Center for Aging Services could serve as project coordinator. Four field offices with support staff for each would be required. The estimated costs according to the Center for Aging Services would be as follows:

Budget	
Project Coordinator	\$ 22,584
Increment	1,128
Fringe @ 16%	3,614
Field Coordinators (4)	\$ 67,440
4 x 16,860	
Increment	3,360
Fringe @ 16%	10,790
Travel	6,144
Clerk/Typists (4)	\$ 27,784
4 x 6,996	
Increment	1,590
Fringe @ 16%	4,446
Office Space (4)	\$ 6,000
Telephone/Postage	2,200
Supplies	8,725
Printing (See Table III)	\$ 19,117
<b>Total</b>	<b>\$184,922</b>

#### Funding: Alternatives Considered

The following discussion of a statewide program considers both starting costs and maintenance costs, as well as federal and state sources of funding.

#### Comprehensive Employment Training Act (CETA), Title 1

Funding from this source would involve (1) the use of untrained and unemployable personnel to perform the operational tasks of the