

## **Older Americans Act Title III Funding Formula**

**What is Title III?** The largest component of the Older Americans Act (OAA), Title III – Grants for State and Community Programs on Aging – authorizes six distinct programs: (1) supportive services and senior centers, (2) congregate nutrition services, (3) home-delivered nutrition services, (4) nutrition services incentive grants, (5) disease prevention and health promotion services, and (6) family caregiver support services.

**How are these programs funded?** Through statutory funding formulas, states receive separate allotments for each of these six programs. The same formula is used to determine state allocations for four of the six programs, which comprise the majority of Title III funding: supportive services and senior centers, congregate nutrition services, home-delivered nutrition services, and disease prevention and health promotion services.\*

**What factors does this formula consider?** Prior to the 2006 OAA reauthorization, funds for each of these Title III programs were allocated to states based on four factors: (1) the state's relative share of the total U.S. population age 60 and over as compared to all states; (2) a minimum grant amount for all states, defined as one-half of 1% of the total appropriation; (3) a requirement that no state receive less than it received in FY 2000—referred to as the FY 2000 “hold harmless” amount; (4) plus at least 20% of the percentage increase in appropriations for the respective programs above their FY 2000 appropriations levels—also known as the “guaranteed growth” factor.

**How was the formula changed in the last reauthorization?** The 2006 OAA reauthorization did not alter the first two parts of the formula—the proportionate share and minimum allocation factors— but it did update the hold harmless amount to reflect what each state received for each program in FY 2006, and gradually eliminated the guaranteed growth factor over four years.

**What is the current funding formula?** The law now requires that the Title III funding formula for these four programs be based on three key elements: (1) a state's relative share of the total U.S. population age 60 and over as compared to all states; (2) a minimum grant amount for all states, defined as one-half of 1% of the total appropriation; and (3) a hold harmless requirement that no state receive less than the amount it received in FY 2006.

**What population data does ACL use to allocate funds?** To satisfy the first formulaic factor and determine each state's proportionate share of the national total of individuals age 60 and older, ACL uses the most recent census data available, the American Community Survey (ACS). On July 1 of each year, the U.S. Census Bureau releases the ACS, which contains population estimates for the most recent calendar year. Each October, when ACL makes grant awards for the new fiscal year, it relies on ACS data that was released approximately three months prior.

**How does ACL determine the FY 2006 hold harmless level for each program and state?** The FY 2006 hold harmless level for each program and state remains the same every year, as it refers to the Title III allocation that each state actually received for those individual programs in FY 2006. The FY 2006 funds were initially allocated in October 2005, based on annual population data released by the Census in July 2005.

*\*The formulas for nutrition service incentive grants and family caregiver services use different factors.*