



AGING PROGRAM DIRECTIVE

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Subject Review of Intrastate Funding Formula (IFF)

To Pennsylvania Department of Aging (PDA)
Area Agencies on Aging
Pennsylvania Association of Area Agencies on Aging

From *Robert Torres*

Robert Torres
Secretary

Purpose The purpose of this Aging Program Directive (APD) is to outline a process to ensure the Intrastate Funding Formula (IFF), a requirement of the Older Americans Act (OAA), is regularly reviewed by PDA and the Area Agencies on Aging (AAA) and updated, if necessary. A formal review process should be conducted, at least, every four years when a new four-year State Plan on Aging is typically developed by PDA for submission to the Administration for Community Living (ACL). This APD also outlines an annual informal review process that will use American Community Survey (ACS) census data to track demographic population shifts that occur over time to project the potential impact on future funding allocations. Upon completion of these annual analyses, they will be shared with AAA for review and consideration in their planning efforts.

Reviewing the IFF based on ACS census data on a predetermined schedule allows Pennsylvania to track possible impacts to funding allocations and will help AAAs anticipate funding shifts that may occur under the current IFF and to plan accordingly. This process can also assist in avoiding significant funding shifts due to inaction over many years. A regular review will help anticipate challenges associated with related funding reallocations and allow for the consideration of making any changes on a more incremental basis versus waiting to align changes with a decennial census.

Background

In FY 2021-22, PDA was required to update the IFF consistent with ACL's requirements placing particular emphasis on target populations. Another factor impacting this update was that the older adult population of the Commonwealth had risen by 750,000 residents since the prior change. The reallocation of federal funds was substantial as the IFF had not been adjusted for a number of years. This funding redistribution created significant concerns and challenges for those AAAs who were having their allocations reduced which were forecasted to impact to their service levels.

To address these challenges, the department phased-in implementation of the revised allocations over multiple years to help mitigate the impacts to AAAs by allowing time to adjust their programming budgets and take advantage of other federal, state and local funds that might be available. This gradual implementation was also important for AAAs that were receiving more funding to plan and build their program capacities to leverage new funding efficiently.

As part of the IFF update process, the department not only reviewed age as a factor of need, but how the distribution formula aligned with the OAA objectives to serve minority populations, rural populations, those living in poverty and those at risk of isolation such as older adults who live alone. PDA also examined the current IFF model, reviewed federal requirements governing the intrastate allocation of funds and compared what factors several other states considered in their models. PDA also met with aging stakeholders and leadership to get their feedback.

A copy of the IFF Requirements can be found in FY 2020 State Plan Guidance Attachment C.

Directives

PDA will ensure and take the necessary actions, as required by ACL, to formally review and coordinate any IFF changes with the AAA network and other interested parties at least every 4 years when updating PDA's four-year State Plan on Aging. On an annual basis, PDA will also track the growth and shift of Pennsylvania's older adult population and project the implications on funding under the current IFF.

To accomplish this, PDA will:

- Annually contact the Pennsylvania State University Data Center to receive the latest county level ACS census data available.
- Run the annual ACS census data through the IFF to determine impact on AAA allocations for review purposes.

- Provide the annual ACS census data to AAAs for their evaluation of potential population shifts for planning purposes.
- Review the annual ACS census data to evaluate and determine if population shifts necessitate updating the IFF criteria prior to, or during the submission of a new four-year State Plan on Aging.