

State Plan on Aging Intrastate Funding Formula (IFF)
With Tables to Implement Proposed Delay in Demographic Formula
April, 2018

A. Guiding Principles:

1. Stability: Avoid distributing large funds associated with a small number of people. This is a challenge for Vermont's AAA service areas, which have small numbers of people in many cohorts of 'greatest social and economic need'.
2. 'Best available data': Use the Special Tabulations (AGID) completed by the Administration for Community Living (ACL) of the American Community Survey (ACS) 5-year estimates. The ACS produces annual population estimates and provides population estimates based on averages of a recent 5-year period. The "Special Tabulation" completed by ACL provides data divided by the "Planning Service Areas" (PSA), the service areas of the individual AAAs. The ACS 5-year Survey is described by the U.S. Census Bureau (in Guidance for Data Users) as providing more precision for small populations than other data sources. As most population cohorts in Vermont are small, the Special Tabulation of the ACS 5-year Survey is utilized as "best available data" for the purpose of the IFF.

B. Funding Factors:

This IFF emphasizes distribution of funds based on the numbers of people living in poverty, and the numbers of people who are age 85+.

1. Service Base: distribution of 10% of total funds available for distribution, divided equally among the five AAAs (i.e. 2% per AAA).
2. Area Plan Administration: distribution of 10% of total funds available for distribution, divided equally among the five AAAs (i.e. 2% per AAA).
3. Age:
 - 15% of the *remaining* funds distributed by the proportion of people age 60-74 in each PSA.
 - 15% of the *remaining* funds distributed by the proportion of people age 75-84 in each PSA.
 - 27% of the *remaining* funds distributed by the proportion of people age 85+ in each PSA.
4. Age and economic need: 40% of the *remaining* funds distributed by the proportion of people age 60+ and at or below 100% of the Federal Poverty Level in each PSA.
5. Age and social need, defined as limited English: 1% of the *remaining* funds distributed by the proportion of people age 60+ and with limited English proficiency in each PSA.
6. Age and social need, defined as minority status: 1% of the *remaining* funds distributed by the proportion of people age 60+ and minority in each PSA.
7. Age and social need, defined as living alone: 1% of the *remaining* funds distributed by the population of people age 60+ and living alone in each PSA.

C. Implementation:

The tables below describe the process that Vermont will use to complete updates of the Intrastate Funding Formula, following the current State Plan on Aging and IFF approved by ACL. This

process includes two parallel activities, integrating a delay that provides AAAs additional time to plan for changes in funding that may be caused by changes in demographics. Please note that the Resource Projections are estimates and subject to change until declared final.

Table 1: Estimated and Final Resource Projections for next FFF (FFY19) (Est. 6 Months lead time)

| | Step | Target date | Who/What |
|--|-------------|---------------------------------|---|
| Estimated Resource Projections for next FFY | 1 | Est March-April of prior FFY | DAIL Business Office staff receive notice of current year mid-year Federal Award for Vermont (Oct-Sep). |
| | 2 | Within two weeks of Step 1 | DAIL Business Office staff will use the previously produced funding formula demographic values (table 2, below) to create a document showing estimated resource projections for the next FFY and forward this to the DDPD Director, ASD staff, and AAA staff. |
| | 3 | Within four weeks of Step 1 | ASD staff will post the estimated resource projections on the DAIL website, collocated with the State Plan on Aging. |
| Final Resource Projections for current FFY | 4 | Est. Aug-Sep of the current FFY | DAIL Business Office staff receive notice of final Federal Award for Vermont used to create Final resource projections for the current FFY (Oct-Sep). |
| | 5 | Within two weeks of Step 4 | DAIL Business Office staff will use the <u>previous</u> year's AGID funding formula values to create a document showing estimated resource projections for the next FFY and forward this to the DDPD Director, ASD staff, and AAA staff. |
| | 6 | Within three weeks of Step 4 | ASD staff will post the final resource projections on the DAIL website, collocated with the State Plan on Aging. |

Table 2: Demographic formula for the subsequent FFY (Est. 18 Months lead time):

| | Step | Target date | Who/What |
|---|-------------|----------------------------|--|
| Demographic formula for subsequent FFY | 1 | App. April 1 | The Director of the DAIL Data Planning and Analysis Unit will consult the ACL website http://www.agidnet.org/DataFiles/ACS/?stateabbr=VT to access the <u>most recent</u> ACL special tabulations by Vermont PSA. The Director will update the demographic tabs in the formula workbook, create an updated demographic formula with revised version date, and forward this to DAIL Business Office staff and ASD program staff. |
| | 2 | Within two weeks of Step 1 | ASD staff will forward the demographic formula for the subsequent FFY to AAA staff and also post them on the DAIL website, collocated with the State Plan on Aging. |

*All dates are subject to change based on when Vermont receives Federal Awards from ACL

Table 3: Funding Data by AAA and by Funding Factor:

| AAA Intrastate Funding Formula | | | | | | | | | |
|--------------------------------|---------------|------------|-------------|-------------|-----------|-----------|-----------|-------------|-------------|
| FFY2018 | | | | | | | | | |
| | % per SPA IFF | | Total | CVAA | CVCOA | NEVAA | SWVCOA | COASEV/SS | Total |
| Area Plan Administration | 10% | of total | \$528,520 | \$105,704 | \$105,704 | \$105,704 | \$105,704 | \$105,704 | \$528,520 |
| Service base | 10% | of total | \$528,520 | \$105,704 | \$105,704 | \$105,704 | \$105,704 | \$105,704 | \$528,520 |
| age 60-74 | 15% | of balance | \$634,226 | \$212,326 | \$121,870 | \$72,014 | \$109,132 | \$118,884 | \$634,226 |
| age 75-84 | 15% | of balance | \$634,226 | \$207,403 | \$121,030 | \$72,854 | \$121,137 | \$111,802 | \$634,226 |
| age 85+ | 27% | of balance | \$1,141,609 | \$371,815 | \$201,055 | \$145,972 | \$209,318 | \$213,449 | \$1,141,609 |
| age 60+ poverty | 40% | of balance | \$1,691,270 | \$495,558 | \$324,502 | \$259,099 | \$285,093 | \$327,018 | \$1,691,270 |
| age 60+ limited english | 1% | of balance | \$42,282 | \$27,483 | \$1,269 | \$4,862 | \$3,700 | \$4,968 | \$42,282 |
| age 60+ minority | 1% | of balance | \$42,282 | \$19,428 | \$6,360 | \$4,298 | \$4,932 | \$7,264 | \$42,282 |
| age 60+ live alone | 1% | of balance | \$42,282 | \$13,730 | \$8,278 | \$5,000 | \$7,340 | \$7,934 | \$42,282 |
| Proposed Total Title III & VII | 4,228,178 | balance | \$5,285,217 | \$1,559,151 | \$995,772 | \$775,507 | \$952,060 | \$1,002,727 | \$5,285,217 |
| | 100% | | | | | | | | |

Table 3 displays the funding factors, the weighted percentages related to the factors, and the impact on fund distribution to the five Area Agencies on Aging for FFY18 as of 03/08/18.