

104 – Intrastate Funding Formula Summary

This draft is a working document. All information contained herein is subject to change and may differ substantially from the final document. The information contained in this document should not be considered the position or views of the agency or the Governor.

The purpose of the intrastate funding formula is to reach older Arkansans with the greatest economic and social needs by using a fair and objective allocation methodology. This amendment will add two factors to broaden the allocation methodology: rural population data of Arkansans ages 60 and older and population data of Arkansans ages 75 and older. The addition of these two factors to the allocation methodology will improve the equitable distribution of Title III funds and other state and federal funds.

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Intrastate Funding Formula

9-1-18

The Department of Human Services will implement an intrastate funding formula for the equitable distribution of Title III funds to Area Agencies on Aging (AAAs) to comply with Older Americans Act regulations and will apply the same methodology to the distribution of other funds. The purpose of the intrastate funding formula is to reach older Arkansans with the greatest economic and social needs by using a fair and objective allocation methodology.

104.001 General Authority

9-1-18

Older Americans Act of 1965, as amended in 2006

45 CFR 1321

Arkansas Code Annotated § 25-10-101 et seq.

U.S. Department of Health and Human Services

U.S. Census Bureau

Title VII Civil Rights Act of 1964, as amended

Social Services Block Grant

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104.100 Definitions

The following terms are defined by the U.S. Census Bureau, U.S. Department of Health and Human Services, and the Title VII Civil Rights Act of 1964, as amended:

- A. **Age 60** – An individual who turns 60 years of age as of the census date of April 1st.
- B. **Age 75** – An individual who turns 75 years of age as of the census date of April 1st.
- C. **Low-Income** – An individual whose income within the past 12 months is below the poverty thresholds set by U.S. Department of Health and Human Services.
- D. **Low-Income Minority** – An individual who identifies with one of the four minority groups as listed below and whose income within the past 12 months is below the poverty thresholds set by U.S. Department of Health and Human Services.
- E. **Minority** – The smaller part of a group within a country or state that differs in race, religion, or national origin from the dominant group.

According to the Equal Employment Opportunity Commission guidelines, the term minority means four, particular groups who share a race, color, or national origin. These groups are:

1. **American Indian or Alaskan Native.** A person having origins in any of the original peoples of North America, and who maintain their culture through a tribe or community.
 2. **Asian or Pacific Islander.** A person having origins in any of the original people of the Far East, Southeast Asia, India, or the Pacific Islands. These areas include, for example, China, India, Korea, the Philippine Islands, and Samoa.
 3. **Black (except Hispanic).** A person having origins in any of the black racial groups of Africa.
 4. **Hispanic.** A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.
- F. **Rural** – This term is defined as a territory, population, and housing units not classified as urban.

104.200 Allocation Methodology

9-1-18

The intrastate funding formula for Area Agencies on Aging (AAAs) will be allocated as follows:

- A. Each of the eight AAAs will receive a percentage based on the total amount of state and federal funds to be distributed from each funding source, which will be determined annually by DHS.
- B. Of the remainder:
 1. A percentage will be distributed based on each region’s proportion of Arkansans ages 60 and older.
 2. A percentage will be distributed based on each region’s proportion of low-income Arkansans ages 60 and older.
 3. A percentage will be distributed based on each region’s proportion of low-income minority Arkansans ages 60 and older.
 4. A percentage will be distributed based on each region’s proportion of rural Arkansans ages 60 and older.

5. A percentage will be distributed based on each region's proportion of Arkansans ages 75 and older.

All percentages within the funding formula will be determined by DHS.

104.300 Updates

9-1-18

Department of Human Services will revise and update the AAAs allocation annually as relevant demographic information becomes available and is provided by the U.S. Census Bureau.

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104.000**Intrastate Funding Formula****9-1-18**

~~The Division of Aging and Adult Services (DAAS) will use the DAAS funding formula to disperse Title III, SSBG, Advocacy Assistance, Nursing Home Alternatives, Older Workers, Case Management, and State Discretionary funds distributed to the eight Area Agencies on Aging (AAAs.)~~

~~Purpose: Older Americans Act regulations require DAAS to use a funding formula to disburse Title III funds to the AAAs. This funding formula complies with Older Americans Act requirements and consolidates the funding formulas for the Title III, Social Services Block Grant (SSBG), Advocacy Assistance, Nursing Home Alternatives, Older Workers, Case Management, and State discretionary programs.~~

~~Scope: The DAAS funding formula applies to the Title III, SSBG, Advocacy Assistance, Nursing Home Alternatives, Older Workers, Case Management, and State Discretionary funds distributed to AAAs.~~

The Department of Human Services will implement an intrastate funding formula for the equitable distribution of Title III funds to Area Agencies on Aging (AAAs) to comply with Older Americans Act regulations and will apply the same methodology to the distribution of other funds. The purpose of the intrastate funding formula is to reach older Arkansans with the greatest economic and social needs by using a fair and objective allocation methodology.

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9-1-18

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104.200 Allocation Methodology

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The intrastate funding formula for Area Agencies on Aging (AAAs) will be allocated as follows:

- A. Each of the eight AAAs will receive a ~~1% base from each of the three funding~~

sources which equals 1% of the total amount to be disbursed percentage based on the total amount of state and federal funds to be distributed from each funding source, which will be determined annually by DHS.

B. Of the remainder:

1. 50% of the remaining funds A percentage will be distributed based on each region's proportion of Arkansans ages 60 and older over in the state.
2. 40% of the remaining funds A percentage will be distributed based on each region's proportion of low-income Arkansans ages 60 and older over in the state.
3. 10% of the remaining funds A percentage will be distributed based on each region's proportion of low-income minority populations Arkansans ages 60 and older over in the state.
4. A percentage will be distributed based on each region's proportion of rural Arkansans ages 60 and older.
5. A percentage will be distributed based on each region's proportion of Arkansans ages 75 and older.

All percentages within the funding formula will be determined by DHS.

104.300 Updates

9-1-18

Department of Human Services DAAS will adjust revise and update the AAAs allocations annually according to population data as relevant demographic information becomes available and is provided by the U.S. Census Bureau.