

ADVANCING
STATES



Leadership, innovation, collaboration
for state Aging and Disability agencies

Redesigning Your IFF: SUA Environmental Scan & Minnesota's Model

December 8, 2021

ADVANCING STATES



Leadership, innovation,
collaboration for state
Aging and Disability agencies.



ADVANCING STATES



Our mission is to design, improve,
and sustain state systems
delivering long-term services and
supports for older adults, people
with disabilities, and their
caregivers.

Who I Am



- Director of Aging Policy at ADvancing States
 - Lead policy and technical assistance work related to the OAA
 - Project manager for state contract work

New OAA Report and OAA 101 Course



- To access OAA 101 course:
 - Go to advancingstatesiq.org
 - Create a free account,
 - Take the course!

Link for the report:

<http://www.advancingstates.org/sites/nasuaad/files/Older%20Americans%20Act%20The%20Foundation%20of%20the%20Aging%20Services%20Network%20-%20Updated.pdf>

Agenda



OVERVIEW OF THE
IFF



HIGHLIGHTS OF THE
ENVIRONMENTAL
SCAN



MINNESOTA'S
MODEL



CLOSING

Overview of the IFF

State Plans on Aging

- Section 307(a) of the Older Americans Act
- Intrastate Funding Formula (IFF)
 - Included in the State Plan
 - Must adhere to both OAA and ACL requirements
 - Requires approval from the federal Administration for Community Living

What is the IFF?

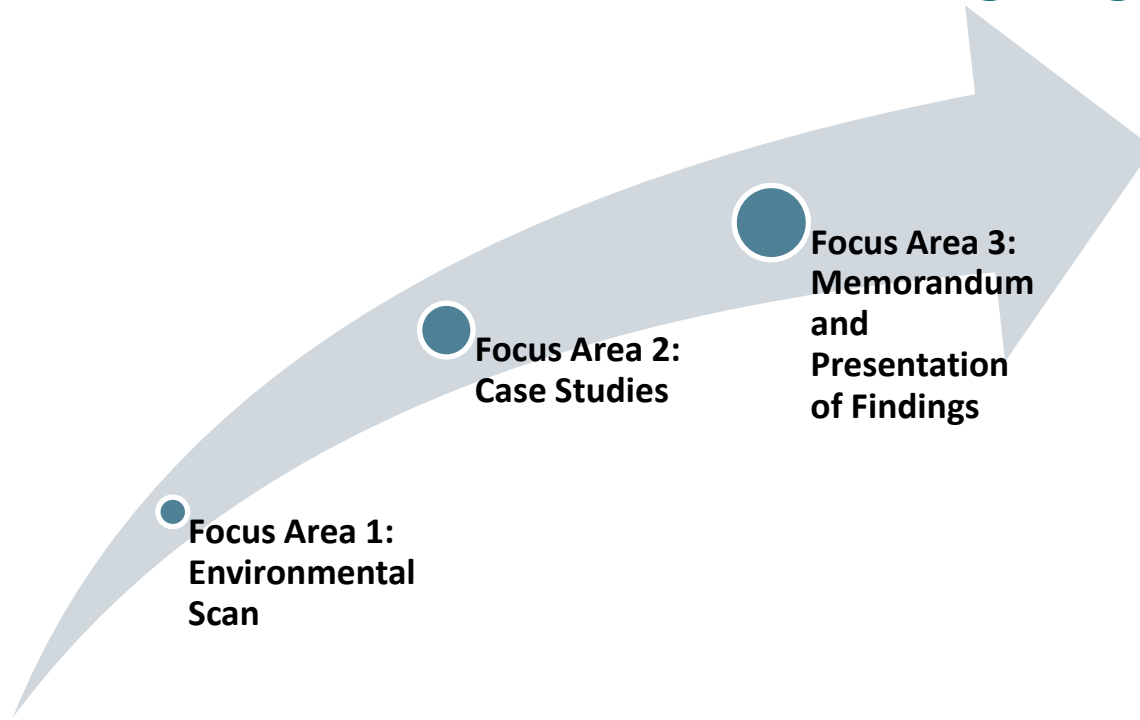
- The Older Americans Act (OAA) requires every State Unit on Aging* to have a formula for distribution of funds across the state, and account for:
 - The geographic distributions of older adults, and
 - The distribution of older adults with greatest social & economic need

*8 states, DC, and 3 territories are Single Planning and Service Areas (PSAs) and are not required to have an IFF

What is the IFF?

- OAA Section 305 IFF Requirements:
 - A descriptive statement of the formula
 - A list of the data used by PSA
 - A descriptive statement of each factor and weight/percentage used for each factor
 - A demonstration of the allocation of funds to each PSA within the state
 - Numerical/mathematical statement

ADvancing States' Work with Minnesota Board on Aging



Environmental Scan

IFF Desk Reviews

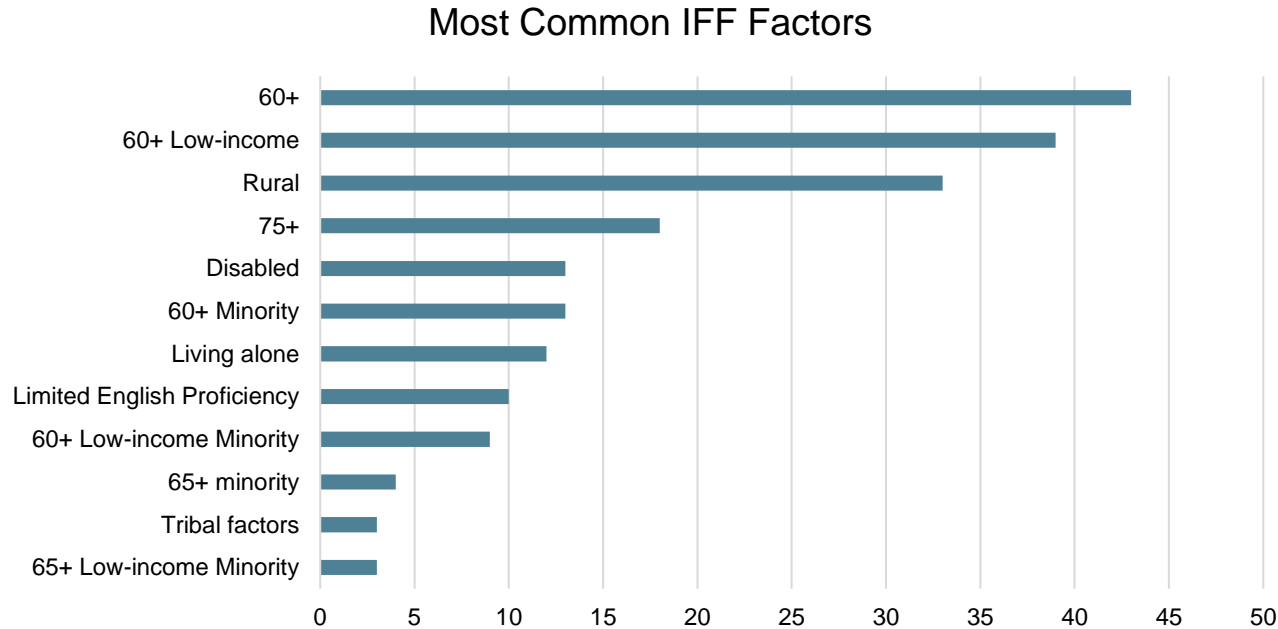
Process

- ADS collected IFFs from all 50 states
- Conducted initial scan and developed analytical template
- Performed in-depth review of every state's IFF and populated analysis template
 - Reviewed matrix and identified themes

Analytical Framework

- Looked at all 50 states, including single PSA states
- Analyzed 21 elements, including:
 - Factors
 - Weights
 - Methodology
 - Data sources
 - Base amounts

Frequently Used IFF Components



Source: State IFFs obtained from State Plans on Aging

Common Example of IFF

$[(40\%A) + (40\%B) + (10\%C) + (10\%D)] / [(40\%E) + (40\%F) + (10\%G) + (10\%H)] = \text{PSA allocation percentage}$

A = PSA's age 60 and older population

B = PSA's minority age 60 and older pop.

C = PSA's low-income population age 60 and older

D = PSA's age 75 and older population

E = State's age 60 and older population

F = State's minority age 60 and older population

G = State's low-income population age 60 and older

H = State's age 75 and older population

Lessening the Impact of Changes: Examples from State IFFs

- Increase base awards to allow AAAs a more predictable funding source
- Allow AAAs more notice to adjust to funding changes
- Phase in formula updates over time
- “Grandfather differential”: Prior year funding as base
- Cap percent change of funding year to year

Environmental Scan

IFF Survey

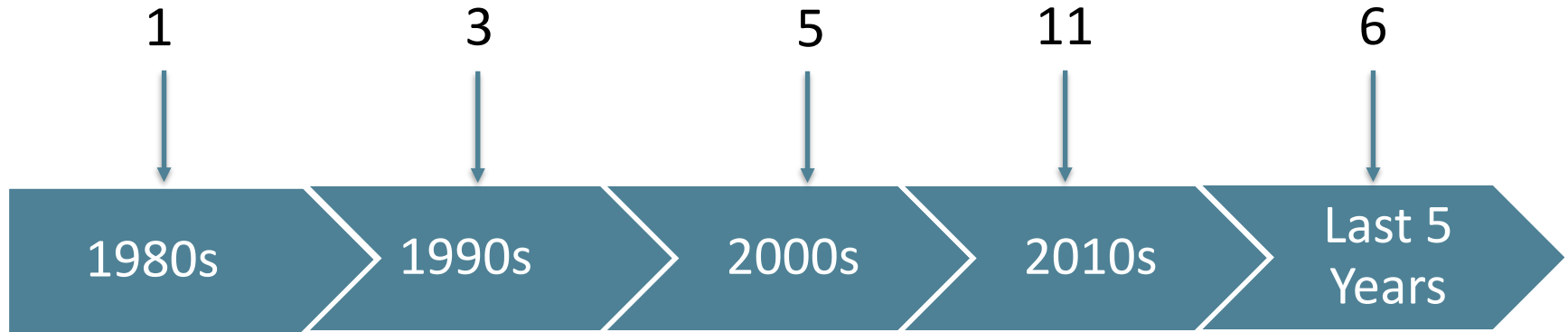
IFF Survey Final Responses

- 38 unique state respondents
 - 34 states with AAAs, 4 without

Survey Themes

- ✓ Numerous states are considering revising their IFFs
- ✓ IFF revisions take significant time and resources on behalf of state staff
- ✓ Full transparency is key to the revision process
- ✓ There is significant diversity across state IFFs
- ✓ Many states are concerned with providing adequate funding for their rural/frontier AAAs
- ✓ States with Tribal AAAs have unique processes in place for distributing funding

What year did your state last change its IFF?



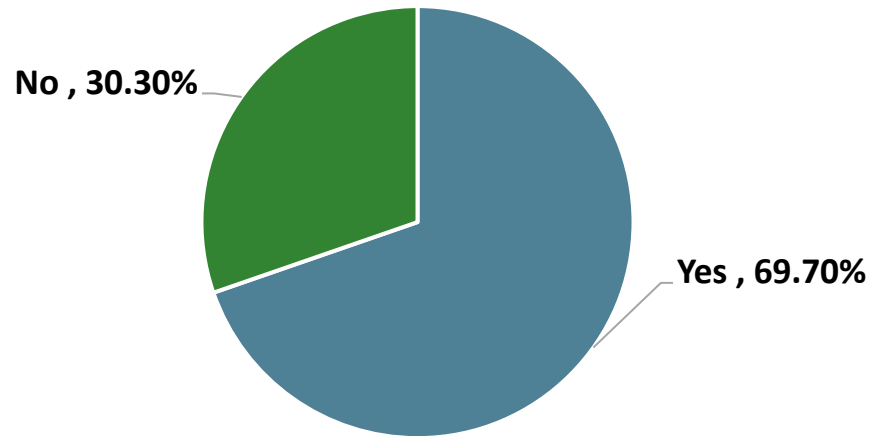
*A handful of states responded unknown or other

Why haven't you changed your IFF recently?

- 6 states – inadequate resources
- 6 states – no desire to do so
- 2 states – political pressure
- 1 state – pressure from AAAs
- Other:
 - Advised to wait until after 2020 Census
 - Current factors continue to be valid
 - Update every 10 years

Is your state planning to revise your IFF based on the new 2020 U.S. Census Bureau data?

Is your state planning to revise your IFF based on the new 2020 Census Bureau data?



Source: ADvancing States IFF Survey (N = 33)

If your state were to alter its IFF, what kind of changes would you like to see?

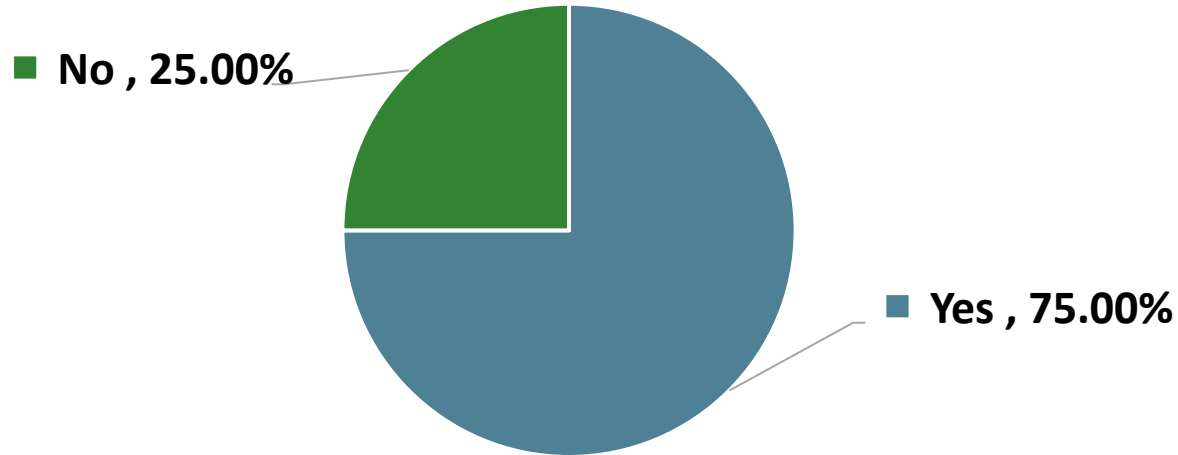
- ✓ Giving more weight to rural and tribal areas
- ✓ Change the base amount given to AAAs
- ✓ One state includes over-matched state dollars in the IFF and would like to carve those out for more statewide projects
- ✓ One state noted their current formula was heavily weighted toward two age factors alone, and wished to increase emphasis on poverty, minority, rural and older individuals living alone
- ✓ One state recently changed and added a hold harmless clause to slow the reduction in funding for areas of the state that are not growing as fast as others, to help avoid large annual fluctuations for their AAAs

Summary of Tribal Questions

- 6 states reported having Tribal AAAs; 3 fund them using OAA funding/the IFF
- Funding strategies:
 - 1 state includes a Tribal factor in IFF
 - 1 state uses a Tribal set-aside and then a separate formula for Tribal AAAs to allocate OAA Title III funding
 - 1 state is looking to revise their funding for Tribes to increase their base funding – small population limits economy of scale

Bases

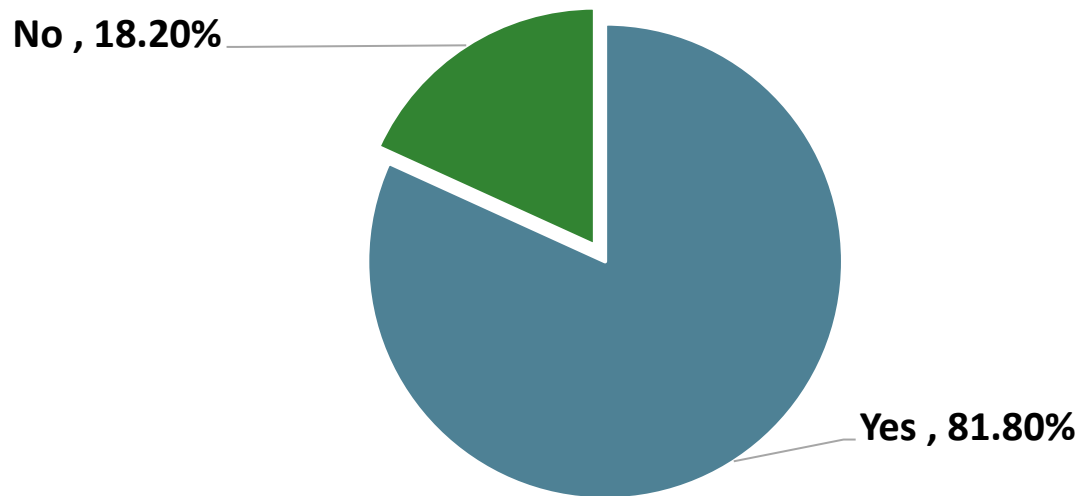
Does your state allocate a base amount of funding to each AAA?



Source: ADvancing States IFF Survey (N = 32)

Carryover

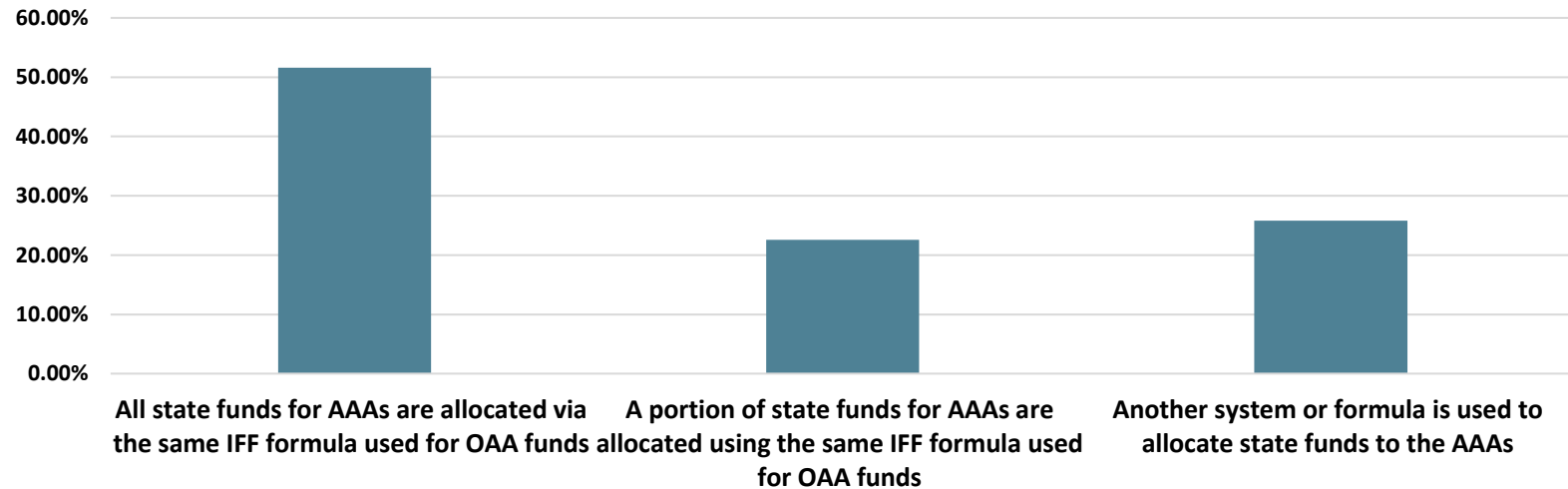
Do you allow AAAs to carryover funds from year to year?



Source: ADvancing States IFF Survey (N = 33)

Methods for Distributing State Funds to AAAs

How do you allocate state funds for older adults to your AAAs



Source: ADvancing States IFF Survey (N = 31)

Data Sources

- ✓ California uses information from Medi-Cal (the state's Medicaid program) obtained from the California Department of Health Care Services, and demographic data from the California Department of Finance
- ✓ Florida uses data from the University of Florida's Bureau of Economic and Business Research
- ✓ Idaho uses data from the U.S. Department of Labor
- ✓ Oregon uses population estimates from Portland State University
- ✓ Pennsylvania uses information from the Penn State Data Center for their definition of rurality
- ✓ Texas pulls from the Texas Demographic Center (under their State Demographer)
- ✓ Utah uses census updates published by their Governor's Office
- ✓ West Virginia uses information provided by the West Virginia Rural Health Association and West Virginia Department of Health and Human Resources disease data

Considerations

Considerations

- Changing the IFF is a lengthy process and should be planned for accordingly.
- Transparency with stakeholders is critical.
- It is important to weigh the implications of changes – intended or unintended – when considering IFF changes.
- States approach their IFFs in different ways with factors/weights depending on their own unique demographics, goals, and Aging Network dynamics.

Thank you for your time!

Questions?



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for state Aging and Disability agencies

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Intrastate Funding Formula: Minnesota's Redesign

Reena Shetty

Agenda

FRAMEWORK

- Process
- Timeline
- Shared Principles

ACTIVITIES

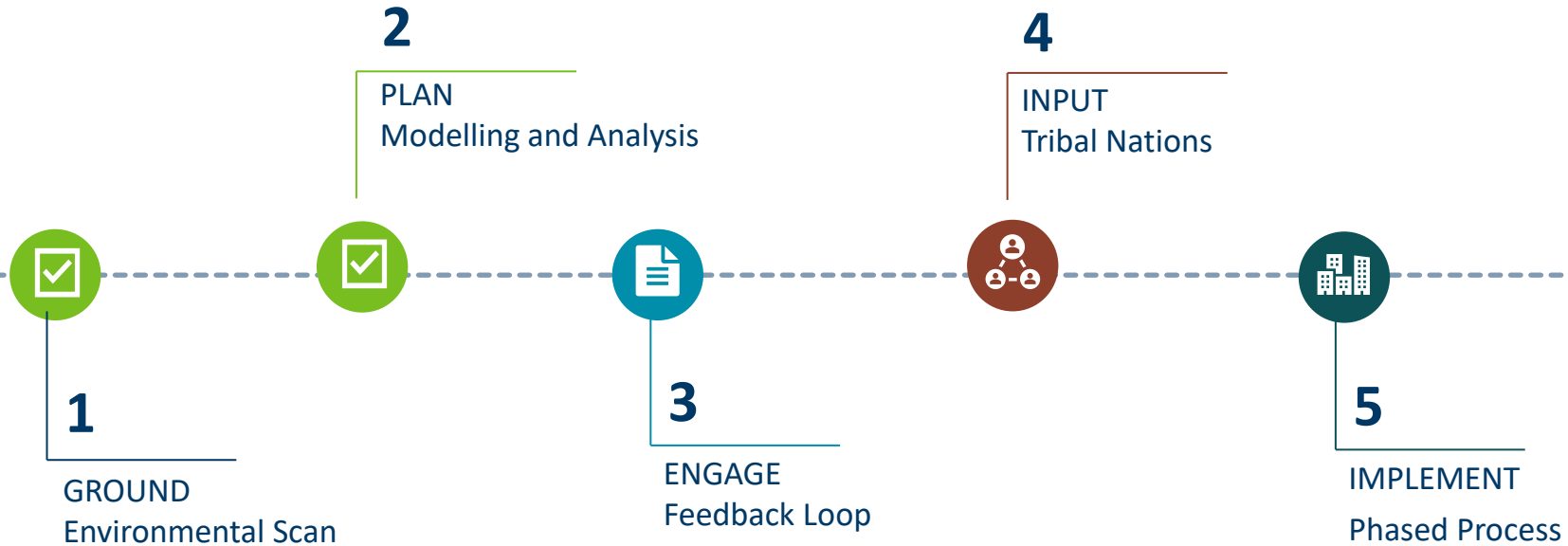
- Data
- Factors

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FRAMEWORK

FRAMEWORK - Process



FRAMEWORK - Timeline

JULY 2021	AUGUST 2021	SEPTEMBER 2021	OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021
<ul style="list-style-type: none"> ADvancing States to conduct desk reviews and initiate State interviews Draw out themes and conduct additional analyses 	<ul style="list-style-type: none"> ADvancing States to convene a preliminary meeting of findings and review considerations for Sept discussions <ul style="list-style-type: none"> IFF Actuary Contract Development 	<ul style="list-style-type: none"> ADvancing States to present on Sept 23 at MBA planning meeting (included in preliminary agenda) 	<ul style="list-style-type: none"> ADvancing States to Present IFF summary to the AAA network on October 5th at 1 pm 	<ul style="list-style-type: none"> Develop shared principles Initial overview of factors Data sets and assumptions 	<ul style="list-style-type: none"> Review state specific data sets and make determination
JANUARY 2022	FEBRUARY 2022	MARCH 2022	APRIL 2022	MAY 2022	JUNE 2022
<ul style="list-style-type: none"> Review Shared Principals, IFF Modelling and data Analysis with AAAs 	<ul style="list-style-type: none"> Develop tribal engagement strategy 	<ul style="list-style-type: none"> Draft IFF factors and base to MBA 	<ul style="list-style-type: none"> Anticipated release of Census 2020 data 	<ul style="list-style-type: none"> Initial proposal of weights and factors including phased approach to implement IFF 	<ul style="list-style-type: none"> Propose stakeholder/partner engagement strategy

FRAMEWORK - Shared Principles

- Data directs us: Our data sources are objective, independent, and reliable.
- Equity is essential: Equitably allocating resources is critical for system development and service delivery efforts—by prioritizing those in greatest economic and social need, we will improve lives and strengthen our communities.
- Collaboration is key: Our work is strengthened by a range of perspectives committed to candid, collaborative, and inclusive dialogue.
- Transparency is a bridge: Leading a transparent process is key to building trust between us, our partner agencies, and the public—especially Minnesota’s older adults.
- Accountability drives our purpose: Our responsibility to provide sound reasoning for this body’s decisions requires honest reflection and consistent communication

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ACTIVITIES

Data Sources: Key Considerations

Quality

Transparency

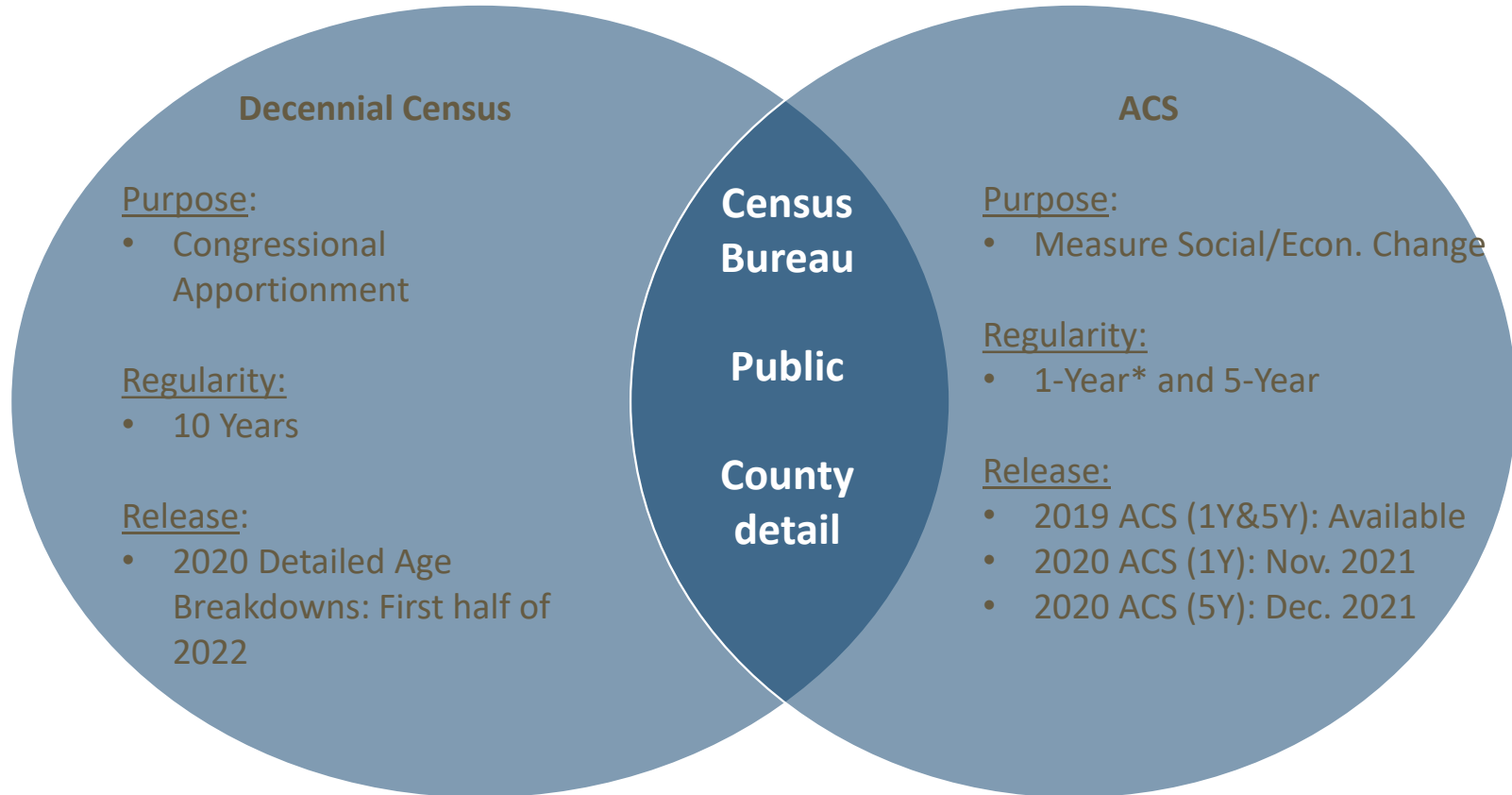
Clarity

Specificity

Reliability

Data Sources

- Decennial Census
- American Community Survey (ACS)
- States Sources (other public or third-party data sources)
 - Ex. Florida Bureau of Economic and Business Research, Portland State University, Texas Demographic Center



Factors: OAA Requirements

Factors should help to achieve the OAA requirement that preference be given to older individuals with

- Greatest economic need, and
- Older individuals with greatest social need,
- Particular attention given to:
 - Low-income older individuals, including
 - Low-income BIPOC older individuals,
 - Older individuals with limited English proficiency, and
 - Older individuals residing in rural areas

Factors: Current MN IFF

Category	Factor	Weight
Age Group	Population (60+)	55%
Economic & Social Need	Low income (65+)	20%
Economic & Social Need	Minority (60+)	10%
Population Density	Rural (65+)	5%
Population Density	Population Dens. (60+)	5%

Minnesota Demographics since 2010 Census

- Population increased 7.6 percent to 5.7 million (7.4 percent nationally)
- Population more diverse, remains majority white-alone (77.5 percent)
 - White-alone down 2.2 percent; African American-alone up 45.2 percent; Hispanic or Latino up 6.1 percent; American Indian-alone up 12.7 percent; Asian-alone increased up 39.7 percent
- Detailed age breakdowns not yet available
- Does not cover income or poverty levels
- Urban/rural definitions have changed

Factors: Categories



Age Groups

- Ex: 60+, 65+, 60-74, 75+, etc.



Economic and Social Need

- Ex. minority, low income, low-income and BIPOC, disability, ESL, etc.



Population Density

- Ex: rural, non-urban, population density, broadband access, etc.



Tribal Factors

- Ex. specific tribal set asides or additional weights

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Engagement Strategy

- Explore factors and weights with internal committees and AAAs.
- Develop tribal engagement process
- Complete OAA required public comment and community engagement processes
- Complete IFF publication for public review that includes definitions, methodology and descriptive statements for deriving at formula.

Thank you!

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Q&A