



JFK Federal Building  
#2075  
Boston, MA 02203

July 17, 2013

Susan Wehry, Commissioner  
Vermont Department of Disabilities, Aging and Independent Living  
103 S. Main Street  
Waterbury, VT 05671-1601

Dear Ms. Wehry:

I am pleased to inform you that the Vermont Department of Disabilities, Aging and Independent Living's proposed Amendment to the State Plan on Aging under the Older Americans Act for October 1, 2010 – September 30, 2014 has been approved. The new Intrastate Funding Formula will begin as of October 1, 2013.

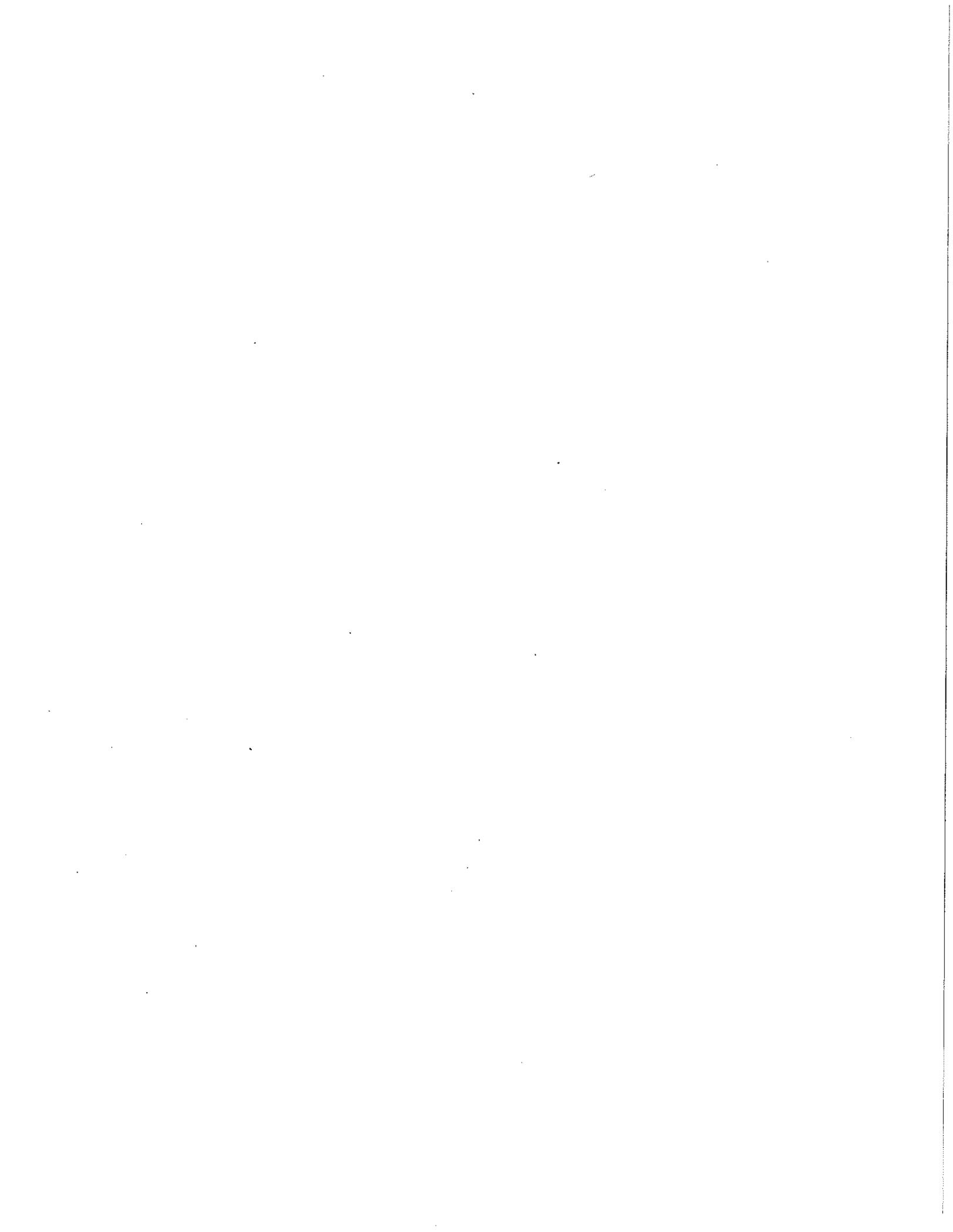
I am particularly pleased with the efforts made by the Vermont Department of Disabilities, Aging and Independent Living to obtain public input in the development of the Intrastate Funding Formula.

I, Jennifer Throwe and the Regional Support Center staff of the U.S. Administration for Community Living in Boston, look forward to working with you in the implementation of this Amendment to the State Plan. If you have questions or concerns, please do not hesitate to contact us. I appreciate your dedication and commitment toward improving the lives of older adults in Vermont.

Sincerely,

Kathleen F. Otte  
Regional Administrator, Regions I, II and III  
Administration for Community Living

Cc: Greg Case  
Robert Logan  
Jennifer Throwe



**VERIFICATION OF INTENT**

The request to amend the Intrastate Funding Formula effective FFY 14 and to be included in the current Vermont State Plan on Aging for the federal fiscal years of 2011 – 2014, is hereby submitted by the State of Vermont for the period October 1, 2013 through September 30, 2014. All assurances in the approved FFY 11 – FFY 14 Vermont State Plan on Aging remain in effect.

The Vermont Department of Disabilities, Aging and Independent Living, the state unit on aging, has been given the authority to develop and administer the Vermont State Plan on Aging including the development and implementation of the Intrastate Funding Formula associated with that plan. The Vermont State Plan on Aging constitutes authorization to proceed with the activities under the plan upon approval of the Commissioner of the Vermont Department of Disabilities, Aging and Independent Living. The request to amend the Intrastate Funding Formula is herewith submitted in accordance with all federal statutory and regulatory requirements.

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Susan Wehry, MD  
Commissioner, Vermont Department of Disabilities, Aging and Independent Living

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Date

**Rationale and Process:**

The Vermont Department of Disabilities, Aging and Independent Living (DAIL), the State Unit on Aging and Disability, is requesting a change in its Intrastate Funding Formula (IFF) for FFY 14. The motive for making this request derives from what was a dramatic shift in the distribution of Older Americans Act (OAA) funding in FFY 13 with the use of the formula then in place. The formula in place in FFY 13 resulted in the following dramatic changes in funding to Vermont's five Area Agencies on Aging (AAA) compared to FFY 12 funding:

1. Champlain Valley Area Agency on Aging (CVAA), plus \$82,952
2. Central Vermont Council on Aging (CVCOA), minus \$70,600
3. Northeastern Vermont Area Agency on Aging (NEVAAA), plus \$201,516
4. Southwest Council on Aging (SVCOA), minus \$174,832
5. Council on Aging of South eastern Vermont, Senior Solutions (COASEV), minus \$61,953

The dimension of these shifts for the three agencies that experienced a loss was a genuine threat to their capacity to carry out their missions.

These dramatic shifts in funding triggered intense conversations between DAIL and all of the AAAs to generate a formula that fulfilled the goals of the OAA and diminished the possibility of dramatic, incapacitating shifts in funding. An analysis of the funding change revealed that a relatively small shift in the population of individuals who were 75+ and at or below 100% of the federal poverty level resulted in a large shift in funding. This cohort was weighted in the distribution formula at 80% of two-thirds of funds to be distributed by funding factor. Discussion with all of the AAA Directors produced agreement on two guiding thoughts for generation of the funding distribution:

1. Avoid distributing large funds associated with a small number of people.
2. Utilize the Special Tabulation completed by the Administration for Community Living (ACL) of the American Community Survey (ACS) 5-year estimates. This survey is completed annually 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" which are identical to the service areas of the AAAs and provides best available data about populations in each distinct AAA service area. The ACS 5-year Survey is described by the U.S. Census Bureau (in *Guidance for Data Users*) as providing more precision than other data sources when surveying small populations. 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.

The proposed FFY 14 OAA Intrastate Funding Formula was developed in consultation with Vermont's five AAAs. Formula adjustments were discussed in three meetings between September and December of 2012 along with numerous e-mail and phone communications about possible restructuring of the IFF. DAIL reviewed 28 formula options before settling on a draft proposal in December. On December 5<sup>th</sup> 2012 DAIL sent a draft amended intrastate funding formula for FFY 14 to the five AAAs and encouraged them to review and "pursue a consensus recommendation knowing that this is an opportunity to forge

## Proposed FFY 14 Intrastate Funding Formula

agreement on a formula that affects all of the AAAs.” On January 4<sup>th</sup>, 2013 DAIL received a collaborative response proposal from four of the five AAAs which included the following message:

“The attached document represents collaborative comments by 4 Area Agencies on Aging (CVAA, CVCOA, SOASEV/SS, and SVCOA) on DAIL’s proposal for a new Intrastate Funding Formula. While we had hoped for agreement by all 5 AAAs, we are happy that 4 of us could come to an agreement. Our proposal is not vastly different from DAIL’s but does make some changes, which we believe will strengthen and improve the formula process for this formula change, and look forward to DAIL’s response and/or future opportunities to give input over the next several months.”

The version offered by the four AAAs was reviewed by DAIL in detail including exploration of further adjustment to the formula. After due consideration and study of the comments offered by the fifth AAA, NEVAAA, DAIL decided to proceed with the version of the IFF presented by the four AAAs. The Formula was posted for public review and comment on the DAIL website.

### The Formula:

*The dollars represented in the following presentation are based on the pre-sequestration FFY 13 projections. At the time of the writing of this explanation of the FFY 14 IFF, the final sequestration affected grant projections were not available.*

### Principles:

- Use “best available data” which is understood to be the most recent Administration for Community Living Special Tabulation of the American Community Survey 5-year Survey estimates. Data is updated annually and available at the Planning Service Area level (equivalent to AAA service areas in Vermont) or town level, producing information by AAA region.
- Pursue stability: avoid distributing large number of dollars associated with a small number of people

### Funding Factors:

1. **Service Base** distribution of \$531,000, representing 10% of total funds available for distribution, is divided equally among the five AAAs (\$106,200 per AAA).
2. **Are Plan Administration** distribution of \$531,000 representing 10% of total funds available for distribution, is divided equally among the five AAAs (\$106,200 per AAA).
3. **Distribution by Age:**
  - 15% of the *remaining* funds are distributed based on the 60 – 74 population in each Planning Service Area (PSA) (equivalent to the area served by each AAA)
  - 15% of the *remaining* funds are distributed based on the 75 – 84 population in each PSA
  - 27% of the *remaining* funds are distributed based on the 85+ population in each PSA

Proposed FFY 14 Intrastate Funding Formula

4. **Distribution according to age and greatest economic need:** 40% of the *remaining* funds are distributed based on the population in each PSA that is 60+ and at or below 100% of the Federal Poverty Level.
5. **Distribution according to age and social need related to limited English:** 1% of the *remaining* funds are distributed based on the population in each PSA that is 60+ and with limited English proficiency.
6. **Distribution according to age and social need related to minority status:** 1% of the *remaining* funds are distributed based on the population in each PSA that is 60+ and minority.
7. **Distribution according to age and social need related to living alone:** 1% of the *remaining* funds are distributed based on the population in each PSA that is 60+ and living alone.

Weightings emphasize supporting old-old (85+) and poverty.

The following two Tables provide information regarding the target populations in the five PSAs the funding factors, and the resultant projections for distribution of funds

**Table 1: Population Data by Planning Services Area and by Funding Factor.**

Displays total populations related to funding factor categories and percentages of total populations by PSA. Data is derived from the most recently published ACL Special Tabulation of the American Community Survey 5-Year Survey estimates, 2005 – 2009.

Cohort Factors:		low #s							current \$ %
		total = 73775	total = 40825	total = 10730	total = 9685	total = 726	total = 1586	total = 27625	
PSA	AAA	age 60-74	age 75-84	age 85+	age 60+ <100% fpl	age 60+ w limited english	age 60+ minority	age 60+ living alone	
A	CVAA	32.14%	30.00%	31.17%	29.01%	55.79%	49.12%	31.14%	29.8%
B	CVCOA	20.04%	20.83%	17.57%	20.08%	16.53%	17.02%	21.55%	19.0%
C	NEVAA	11.57%	10.78%	14.68%	18.17%	14.46%	12.36%	11.27%	17.1%
D	SWVCOA	18.13%	20.48%	18.59%	16.78%	5.79%	9.33%	17.19%	17.3%
E	COASEV/	18.12%	17.90%	17.99%	15.95%	7.44%	12.17%	18.86%	16.8%
	TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.0%

**TABLE 2: Funding Data by AAA and by Funding Factor.**

*N.B. The dollars represented in the following presentation are based on the pre-sequestration FFY 13 projections. At the time of the writing of this explanation of the FFY 14 Intrastate Formula, the final sequestration affected grant projections were not available.*

Displays the funding factors, the weighted percentages related to the factors, and the impact on fund distribution to the five Area Agencies on Aging.

Proposed FFY 14 Intrastate Funding Formula

	A	B	C	D	E	F	G	H	I	J
<b>AAA Intrastate funding formula</b>										
<b>FFY 2014</b>										
			Total	CVAA	CVCOA	NEVAA	SWVCOA	COASEV/SS	Total	
Area Plan Administration	10%	<i>of total</i>	\$531,000	\$106,200	\$106,200	\$106,200	\$106,200	\$106,200	\$531,000	
Service base	10%	<i>of total</i>	\$531,000	\$106,200	\$106,200	\$106,200	\$106,200	\$106,200	\$531,000	
age 60-74	15%	<i>of balance</i>	\$637,200	\$204,793	\$127,696	\$73,740	\$115,506	\$115,466	\$637,200	
age 75-84	15%	<i>of balance</i>	\$637,200	\$191,192	\$132,737	\$68,690	\$130,521	\$114,061	\$637,200	
age 85+	27%	<i>of balance</i>	\$1,146,961	\$357,557	\$201,493	\$168,356	\$213,251	\$206,303	\$1,146,961	
age 60+ poverty	40%	<i>of balance</i>	\$1,699,201	\$493,005	\$341,244	\$308,786	\$285,101	\$271,065	\$1,699,201	
age 60+ limited english	1%	<i>of balance</i>	\$42,480	\$23,698	\$7,021	\$6,144	\$2,458	\$3,160	\$42,480	
age 60+ minority	1%	<i>of balance</i>	\$42,480	\$20,865	\$7,232	\$5,250	\$3,964	\$5,169	\$42,480	
age 60+ live alone	1%	<i>of balance</i>	\$42,480	\$13,226	\$9,156	\$4,786	\$7,302	\$8,010	\$42,480	
<b>Proposed Total Title III &amp; VII</b>	<b>4,248,003</b>		<b>\$5,310,004</b>	<b>\$1,516,736</b>	<b>\$1,038,979</b>	<b>\$848,152</b>	<b>\$970,503</b>	<b>\$935,634</b>	<b>\$5,310,004</b>	
	100%							\$5,310,004		

**Additional Documentation:**

- 1) **IFF Development Tool:** All of the AAAs reviewed and worked with an Excel IFF tool developed by DAIL that displayed and functionally tied funding factors, weightings of funding factors, dollars to individual AAAs, comparisons between FFY 12, FFY 13 and projections for FFY 14, and dollar impact on numerous federal and state programs including Elder Abuse Prevention (Title VII), Preventive Health (Title III-D) and Title III B, C1, C2, and E. A portion of Sheet 1 of that tool is presented in Table 3 below. The complete tool is available electronically and is attached to this submission. This tool facilitated the examination of impacts resulting from changes in factors and weightings. The IFF development process included the evaluation of 28 possible versions of the IFF.
- 2) There were twelve responses to the posting of the IFF which are in an attached document. All of the responses will be posted on DAIL's Website.

Proposed FFY 14 Intrastate Funding Formula

TABLE 3: A Portion of the Sheet 1 of the IFF Evaluation Tool:

AAA Intrastate funding formula  
FFY 2014

			Total	CVAA	CVCOA	NEVAA	SWVCOA	COASEV/SS	Total
Area Plan Administration	10%	of total	\$531,000	\$106,200	\$106,200	\$106,200	\$106,200	\$106,200	\$531,000
Service base	10%	of total	\$531,000	\$106,200	\$106,200	\$106,200	\$106,200	\$106,200	\$531,000
age 60-74	15%	of balance	\$637,200	\$204,793	\$127,696	\$73,740	\$115,506	\$115,466	\$637,200
age 75-84	15%	of balance	\$637,200	\$191,192	\$132,737	\$68,690	\$130,521	\$114,061	\$637,200
age 85+	27%	of balance	\$1,146,961	\$357,557	\$201,493	\$168,356	\$213,251	\$206,303	\$1,146,961
age 60+ poverty	40%	of balance	\$1,699,201	\$493,005	\$341,244	\$308,786	\$285,101	\$271,065	\$1,699,201
age 60+ limited english	1%	of balance	\$42,480	\$23,698	\$7,021	\$6,144	\$2,458	\$3,160	\$42,480
age 60+ minority	1%	of balance	\$42,480	\$20,865	\$7,232	\$5,250	\$3,964	\$5,169	\$42,480
age 60+ live alone	1%	of balance	\$42,480	\$13,226	\$9,156	\$4,786	\$7,302	\$8,010	\$42,480
Proposed Total Title III & VII	4,248,003		\$5,310,004	\$1,516,736	\$1,038,979	\$848,152	\$970,503	\$935,634	\$5,310,004
	100%							\$5,310,004	
Proposed FFY14 Grand Total (excluding Mental Health)			\$2,874,816	\$1,945,111	\$1,472,281	\$1,789,043	\$1,695,047	\$9,776,298	
fy13 (current projections) Grand Total (excluding M)			\$2,913,964	\$1,860,387	\$1,674,634	\$1,633,706	\$1,638,607	\$9,776,298	
Current Percentage			29.8%	19.0%	17.1%	17.3%	16.8%	100.0%	
fy 14 Proposed Percentage			29.4%	19.9%	15.1%	18.3%	17.3%	100.0%	
Difference \$ (proposed fy14 - fy13 project)			-\$39,148	\$84,724	-\$202,353	\$100,337	-\$56,440	\$0	
Difference % (proposed fy 14 - fy13)			-1.34%	4.55%	-12.08%	5.94%	3.44%	0.00%	
Difference % (share of state \$)			-0.40%	0.87%	-2.07%	1.03%	0.58%	0.00%	
		fy12 actuals	\$2,831,012	\$1,930,987	\$1,473,118	\$1,863,529	\$1,700,560	\$9,799,206	
		fy13-fy12 actuals	\$82,952	-\$70,600	\$201,516	-\$174,823	-\$61,953	-\$22,908	
		fy13 one-time \$	\$0	\$16,899	\$0	\$95,180	\$32,374	\$164,453	
Difference \$ (proposed fy14 - fy12 actual)			\$43,804	\$14,124	-\$837	-\$74,486	-\$5,513	-\$22,908	
LTC Flex Funds		fy13	\$31,511	\$18,463	\$11,244	\$17,233	\$17,549	\$96,000	
		proposed	\$28,230	\$19,100	\$14,457	\$17,568	\$16,645	\$96,000	
		proposed-fy13	-\$3,281	\$637	\$3,213	\$335	-\$904	\$0	
Dementia respite		fy13	\$82,060	\$48,080	\$29,280	\$44,879	\$45,701	\$250,000	
		proposed	\$73,515	\$49,740	\$37,649	\$45,750	\$43,346	\$250,000	
		proposed-fy13	-\$8,545	\$1,660	\$8,369	\$871	-\$2,355	\$0	
Special services		fy13	\$7,245	\$4,369	\$4,667	\$3,849	\$3,516	\$23,646	
		proposed	\$7,048	\$4,500	\$4,050	\$4,084	\$3,963	\$23,646	
		proposed-fy13	-\$197	\$131	-\$617	\$235	\$447	\$0	
Elder Abuse Prevention (Title VII)	0.47%		\$7,121	\$4,878	\$3,982	\$4,556	\$4,393	\$24,930	
Preventive Health (Title III-D)	1.97%		\$29,913	\$20,490	\$16,727	\$19,140	\$18,452	\$104,722	
Title III-B	29.99%		\$454,912	\$311,619	\$254,385	\$291,081	\$280,623	\$1,592,621	
Title III-C1	40.93%		\$620,803	\$425,256	\$347,150	\$397,229	\$382,957	\$2,173,394	
Title III-C2	20.21%		\$306,578	\$210,069	\$171,437	\$196,168	\$189,120	\$1,073,311	
Title III-E	6.42%		\$97,410	\$66,727	\$54,471	\$62,329	\$60,090	\$341,026	
Proposed Total			100.0%	\$1,516,736	\$1,038,979	\$848,152	\$970,503	\$935,634	\$5,310,004

## AAA Intrastate funding formula

### Demographic estimates:

PSA	AAA	age 60-74	age 75-84	age 85+	age 60+ <100% fpl	age 60+ w		age 60+ minority	age 60+ living alone
						limited english	limited english		
A	CVAA	25,620	9,060	3,345	2,810	405	1,004	9,850	
B	CVCOA	15,975	6,290	1,885	1,945	120	399	6,705	
C	NEVAA	9,225	3,255	1,575	1,760	105	241	3,500	
D	SWVCOA COASEV/	14,450	6,185	1,995	1,625	42	197	5,610	
E	sr solutions TOTAL	14,445 79,715	5,405 30,195	1,930 10,730	1,545 9,685	54 726	258 2,099	5,835 31,500	

*data source: AOA special tabulations by PSA, using ACS estimates:  
<http://www.agidnet.org/DataFiles/ACS/?stateabbr=VT>*

### Cohort Factors:

PSA	AAA	age 60-74	age 75-84	age 85+	age 60+ <100% fpl	age 60+ w		age 60+ minority	age 60+ living alone
						limited english	limited english		
A	CVAA	32.13950%	30.00497%	31.17428%	29.01394%	55.78512%	47.83230%	31.26984%	
B	CVCOA	20.04014%	20.83126%	17.56757%	20.08260%	16.52893%	19.00905%	21.28571%	
C	NEVAA	11.57248%	10.77993%	14.67847%	18.17243%	14.46281%	11.48166%	11.11111%	
D	SWVCOA COASEV/	18.12708%	20.48352%	18.59273%	16.77852%	5.78512%	9.38542%	17.80952%	
E	sr solutions TOTAL	18.12081% 100.00%	17.90031% 100.00%	17.98695% 100.00%	15.95250% 100.00%	7.43802% 100.00%	12.29157% 100.00%	18.52381% 100.00%	

