



Pennsylvania
Department of Aging

Intrastate Funding Formula
Attachment C
2024 - 2028 State Plan on Aging

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Intrastate Funding Formula Requirements

Each State IFF submittal must demonstrate that the requirements in Sections 305(d) have been met:

OAA, Sec. 305 (d)

“States shall,

(C) in consultation with area agencies, in accordance with guidelines issued by the Assistant Secretary, and using the best available data, develop and publish for review and comment a formula for distribution within the State of funds received under this title that takes into account--

*(i) the geographical distribution of older individuals in the State; and
(ii) the distribution among planning and service areas of older individuals with greatest economic need and older individuals with greatest social need, with particular attention to low-income minority older individuals.”*

- For purposes of the IFF, “best available data” is the most recent census data. More recent data of equivalent quality available in the State may be considered.
- As required by Section 305(d) of the OAA, the IFF revision request includes: a descriptive Statement; a numerical Statement; and a list of the data used (by planning and service area).
- The request also includes information on how the proposed formula will affect funding to each planning and service area.
- States may use a base amount in their IFFs to ensure viable funding across the entire state

Background

The Pennsylvania Department of Aging (PDA) is required under Title III of the Older Americans Act (OAA) to develop a formula for distributing funds within the Commonwealth under this Title. This attachment reflects the updated Intrastate Funding Formula (IFF) as an amendment to the 2024 – 2028 State Plan on Aging. The IFF allocates funds to Pennsylvania's 52 Planning and Service Areas (PSAs) to serve individuals aged 60 and older.

While the OAA emphasizes providing services to all older individuals, it mandates prioritization for those with the greatest economic or social needs, with particular attention to low-income minority individuals. Under the OAA, "greatest economic need" refers to the need stemming from an income level at or below the poverty threshold established by the Office of Management and Budget. "Greatest social need" refers to the need caused by noneconomic factors, as outlined in the OAA, 45 CFR §1321.3.

The following is the revised IFF for the Pennsylvania State Plan on Aging 2024-2028 and will go into effect **October 1, 2025**. This updated formula was developed through a comprehensive and collaborative process led by an IFF Advisory Committee. The IFF Advisory Committee consisted of:

- Five Area Agency on Aging Directors from geographically diverse regions of Pennsylvania
- Representative from the Pennsylvania Association of Area Agencies on Aging,
- Representative of The County Commissioners Association of Pennsylvania
- Representative from the Pennsylvania Council on Aging
- Representative from the Pennsylvania Association of Senior Centers
- Three representatives from the Department of Aging staff, representing Finance, Policy, and Program Service areas.

The IFF Advisory Committee:

- Convened over 15 meetings in 2024 to evaluate options for improving and refining the current funding formula and to develop guiding principles.
- Identified new factors for consideration that directly address the greatest economic and social needs.
- Collaborated with the University of Pittsburgh School of Public Health to gather expert input.
- Analyzed the relative weights of new factors in relation to Pennsylvania's demographic composition.
- Received technical assistance from the Administration for Community Living (ACL) to determine the best available source data.
- Ensured that the proposed formula aligned with the guiding principles provided by the Older Americans Act and acknowledges the demographic makeup of the Commonwealth.

The resulting final formula intends to address public comments, the guiding principles provided by the IFF Advisory Committee, meets the requirements of the OAA, and provides the greatest service to older adults of greatest economic and/or social need. The resulting final formula including each factor, weights, and data sources are described in **Figure 1**.

Descriptive Statement of the IFF Methodology

The IFF currently allocates federal funding administered by the Department of Health and Human Services to the following areas:

- Title III B - Supportive Services
- Title III C1- Congregate Meal Services
- Title III C2 - Home Delivered Meal Services
- Title III D - Health Promotion Services
- Title III E - Caregiver Services

"Available funding" refers to the funds remaining after deducting amounts for State Plan Administration. Beginning October 1, 2025, Pennsylvania will elect to withhold State Plan Administration funds—up to the maximum allowed under the Older Americans Act—before distributing the remaining funds through the Intrastate Funding Formula (IFF). Pennsylvania applies Title IIIB funds to the Long-Term Care Ombudsman Program prior to applying the IFF. The IFF is not used to allocate funding Pennsylvania receives for the Nutrition Services Incentive Program (NSIP). The distribution of NSIP awards are based on the number of certified eligible meals reported to ACL. Each AAA's annual allocation is based on their percent of statewide certified eligible meals that they report the previous year.

The IFF is a mathematical expression of the proportional distribution of older adults within each AAA's Planning and Service Area (PSA), adjusted by consumer characteristics. Geography, economic need, and social need are represented in the IFF as factors. Below, please find a graph describing the data sources. Please refer to [Figure 1](#) for the nine factors used in the IFF, the data source of each factor, and the policy rationale for the factor:

Data Source Description

- American Community Survey Data provided by the Administration for Community Living (ACS – ACL) - The American Community Survey is completed at regular intervals by the United States Census Bureau.
- U.S. Census Bureau Vintage Population Estimates (Vintage, Year) – The United States Census Bureau provides Vintage Population estimates on a yearly basis.
- American Community Survey (ACS) - The American Community Survey is completed at regular intervals by the United States Census Bureau
- Center for Rural PA - The Center for Rural PA is a bipartisan legislative agency to maximize resources and strategies that serve Pennsylvania's nearly 3.4 million rural residents. The Center for Rural PA works with data sources from the Penn State Data Center and the U.S. Census Bureau.
- Centers for Disease Control (CDC) - The Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry Social Vulnerability Index (hereafter, CDC/ATSDR SVI or SVI) is a place-based index, database, and mapping application designed to identify and quantify communities experiencing social vulnerability

Figure 1:

Factor	Factor Weight	Source (Time Period)	Rationale
Older adults aged 60+ with income < 150% of federal poverty level	52%	ACL ACS Dataset (2017 – 2021)	Geographical distribution Greatest economic need
Older adults aged 60+ from underrepresented race or ethnicity (minority)	17%	U.S. Census Bureau Population Estimates (2023 Vintage)	Greatest social need Greatest economic need
Older adults aged 60+ residing in a rural area	15%	Center for Rural Pennsylvania (2022)	Geographical distribution Greatest economic need Greatest social need
Older adults aged 60+	5%	ACS 5 Year Estimates (2022)	Geographical distribution
Older adults aged 60+ with a self-care need (disability)	5%	ACL ACS Dataset (2017 – 2021)	Greatest social need
Older adults aged 60+ who live alone	2%	ACL ACS Dataset (2017 – 2021)	Greatest social need
Older adults aged 60+ whose primary language is not English	2%	ACL ACS Dataset (2017 – 2021)	Greatest social need
Older adults aged 60+ with income < 100% of federal poverty level	1%	ACL ACS Dataset (2017 – 2021)	Greatest economic need
Center for Disease Control – Social Vulnerability Index	1%	CDC/Agency for Toxic Substances and Disease Registry (2022) ¹	Greatest economic need Greatest social need

¹ The median SVI for all counties served by a AAA is used in cases where multiple counties are included in a AAA's PSA.

AAA Allocation Determination

Available Funding is defined as the total amount of funds allocated for distribution to the Area Agencies on Aging (AAAs) after deducting up to the maximum allowable percentage for state and area plan administration. This funding is then distributed to AAAs based on the percentage allocation determined through the IFF. Each factor in the IFF is applied as a percentage for each PSA, based on that PSA's share of the statewide total for that factor. The factors are applied in the IFF as a percentage for each PSA as a proportion of the factor for the sum of all PSAs in the entire state.

For example, the number of individuals aged 60 and over in an AAA's PSA based on the data source listed is divided by the number of individuals aged 60 and over in Pennsylvania, then multiplied by the factor weight of 5%, or 0.05. A similar calculation is performed for each factor, and the sum of all the factors is added to arrive at a percentage allocation for each AAA to be applied to available funding. The sum of percentages for all AAAs will total 100%.

AAA Allocation	=	Available Funding	*	
[52%	*	(AAA 60+ population <150% FPL/ statewide 60+ population < 150% FPL)	
+	17%	*	(AAA 60+ minority population/ statewide 60+ minority population)	
+	15%	*	(AAA 60+ rural population/ statewide 60+ rural population)	
+	5%	*	(AAA 60+ population/ statewide 60+ population)	
+	5%	*	(AAA 60+ population with a disability/ statewide 60+ population with a disability)	
+	2%	*	(AAA 60+ population living alone/ Statewide 60+ population living alone)	
+	2%	*	(AAA 60+ population primary language other than English/ statewide 60+ population primary language other than English)	
+	1%	*	(AAA 60+ population < 100% FPL/ statewide 60+ population <100% FPL)	
+	1%	*	(AAA median CDC SVI for all themes/ statewide total of all median CDC SVI scores for all themes)]]

Descriptive Statement of IFF Mitigation Strategy

To mitigate the effects of major funding shifts created by this transition from the current funding formula to a new formula, PDA is electing to phase in the implementation of the new formula over the remaining years of the current four-year state plan. PDA has elected to exercise this option to allow for this transition to occur gradually and minimize impacts to older adults. As a result, a comparison will be made in terms of percent of total funds allocated by each AAA between state fiscal year 2024-25 and the new IFF results. The difference between the two percents of total allocation results will be incrementally implemented in three equal installments effective 10/1/2025, 7/1/2026, and 7/1/2027.

Effective 10/1/2025:

$$\begin{aligned} & ((\text{AAA Allocation under this State Plan Amendment} / \text{Total of all AAA Allocations under this} \\ & \text{State Plan Amendment}) - (\text{AAA FY 2024-25 Allocation} / \text{Total of all AAA FY 2024-25} \\ & \text{Allocations}) / 3 * 1) + ((\text{AAA FY 2024-25 Allocation} / \text{Total of all AAA FY 2024-25 Allocations}) \\ & = \text{AAA Allocation effective 10/1/2025} \end{aligned}$$

Effective 7/1/2026:

$$\begin{aligned} & ((\text{AAA Allocation under this State Plan Amendment} / \text{Total of all AAA Allocations under this} \\ & \text{State Plan Amendment}) - (\text{AAA FY 2024-25 Allocation} / \text{Total of all AAA FY 2024-25} \\ & \text{Allocations}) / 3 * 2) + ((\text{AAA FY 2024-25 Allocation} / \text{Total of all AAA FY 2024-25 Allocations}) \\ & = \text{AAA Allocation effective 7/1/2026} \end{aligned}$$

Effective 7/1/2027:

$$\begin{aligned} & ((\text{AAA Allocation under this State Plan Amendment} / \text{Total of all AAA Allocations under this} \\ & \text{State Plan Amendment}) - (\text{AAA FY 2024-25 Allocation} / \text{Total of all AAA FY 2024-25} \\ & \text{Allocations}) / 3 * 3) + ((\text{AAA FY 2024-25 Allocation} / \text{Total of all AAA FY 2024-25 Allocations}) \\ & = \text{AAA Allocation effective 7/1/2027} \end{aligned}$$

This mitigation strategy will allow for the new IFF to be fully in place by the final year of the current state plan, SFY 2027-28.

Ongoing Updates to IFF

As a matter of policy, PDA will update the census data used in this allocation formula on a periodic basis, at least once every four years, in order to limit the funding impact of future demographic shifts when it allocates federal dollars using the IFF.

Any future changes to the IFF formula, beyond updates to census data used in the formula, must be done in accordance with the prescribed update procedures required by the OAA.

Data & Replication

To ensure that the IFF and its underlying data are both accessible and replicable, the Department has developed an accessible excel document that allows Area Agencies on Aging and other stakeholders to recreate the distribution using available data. The data provided outlines the demographic factors and their respective weights that influence the allocation of funding for services aimed at older adults. These factors are critical in determining the needs of the population in various counties and ensuring that resources are distributed equitably. Each factor corresponds to a specific characteristic, such as income level, race or ethnicity, rural residency, or self-care needs, and is given a weight that reflects its importance in the funding formula. The percentage weights help adjust the figures for each county, ensuring that the needs of older adults in different

circumstances are adequately accounted for. By analyzing the values under the "Factor Weight" and "% Post Factor" columns, stakeholders can understand how each county's demographics impact the overall funding allocation.

[Review the data results by PSA/Area Agency on Aging.](#)

[Review the data results by county.](#)

IFF Results Comparison

[View the IFF Results comparison.](#)