

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

January 20, 2012

The Honorable Gene Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

The Older Americans Act of 1965 (OAA) was enacted to provide services to older adults and help them remain in their homes and communities. Demographic studies reveal that older Americans will make up an increasing proportion of the country's population in the next few decades. Consequently, those eligible for and in need of services like those provided by Title III and VII programs will increase as well. In fact, U.S. Census projections estimate the number of Americans age 65 and over will increase from 40 million in 2010 to 72 million in 2030. At the same time, expected fiscal constraints at the national, state, and local levels may limit the funds available to provide assistance to the growing population of older adults in need.

Funding for the program is administered by the federal government's Health and Human Services Agency (HHS). The Administration on Aging (AoA), within HHS, distributes this funding through grants to the state agencies. Through these grants, states receive a set amount of funding and are given the flexibility to design and operate OAA programs within federal guidelines. Grant amounts are generally based on funding formulas weighted to reflect a state's age 60 and over population. The national funding formula used to allocate funding to states does not include factors to target older adults in greatest need, although states are required to consider such factors when developing the intrastate formulas they use to allocate funds among their local agencies.

Though much is accomplished in terms of meeting the needs of older Americans by way of these grants, across the nation, a significant percentage of older Americans experience unmet need as GAO found in its 2011 report: *More Should Be Done to Measure the Extent of Unmet Need for Services*. As the number of older adults grows, demand for services will also grow. This reality, combined with resource constraints, prompts concerns about how the needs of this growing population can be met. Therefore, we request GAO to determine:

1. What options could be considered to modify or change the OAA Title III and Title VII statutory formulas so that state funding allocations take into account the distribution of older individuals with greatest economic and greatest social need? In addressing this question, consider existing data sources that can produce valid and reliable state-level estimates of those older individuals with greatest economic and greatest social need, including low-income older individuals, low-income minority older individuals, older individuals with limited English

proficiency, older individuals residing in rural areas, and older individuals at-risk for institutional placement.

2. What are the state approved formulas that are used for distribution of OAA Title III and VII program funding received by states which take into account the geographic distribution of older individuals in the state and the distribution of older individuals with greatest economic or social need in the state [Sec. 307(a)(2)(C) and (D), and AOA guidance]? Are there methods or practices developed from these state approved formulas that could inform modifications or changes in the statutory formulas for OAA Title III and VII programs?

3. What would be the effect on states' current program allotments, in dollars and as a percentage share of total program funding, should the Title III and Title VII statutory formulas incorporate the identified options for modifying or changing these statutory formulas so that state funding allocations take into account the distribution of older individuals with greatest economic and social need?

Our nation is currently experiencing a time of great fiscal constraint, and each dollar of spending must be allocated to achieve the maximum results. With that in mind, we must examine the OAA funding formula to see if resources are allocated in the best way possible. Thank you for your prompt attention to this request.

Please contact Alicia Hennie at 202-224-5364 to follow up on this request. I look forward to your reply.

Sincerely,



Bob Corker
U.S. Senator