

## **Burr Amendment: Reforming a Broken Formula**

### **What is the OAA formula?**

The Older Americans Act provides access to services through a network of state and local communities committed to caring for older Americans to help them remain in their homes and communities, with specific emphasis on those seniors with the greatest social and economic needs. In November 2012, GAO released a study which found that the current OAA formula could “better meet generally accepted equity standards in targeting greatest economic and social need.”

### **What is driving the inequity in the formula?**

The Older American Act funding formula generally allocates federal funds to states based on the proportion of older adults in each state. However, the previous reauthorization in 2006 included a “hold harmless” provision that prevents states from falling below their FY06 funding levels – regardless of their senior population. Unfortunately, this provision does not account for the changes in older adult populations and is based on population numbers from 2000. Instead, the current OAA formula distorts funding and means that not every state gets its fair share. For example, congregate meal programs in a state like New York can get up to 23% more funding per capita to provide meals for seniors than programs in a state like Colorado.

### **Why should Congress reform it?**

- The formula is based on population data from 2000 – data that is more than 13 years old and does not accurately reflect where seniors live today.
- The hold harmless provision penalizes states with fast growing populations of seniors.
- The hold harmless forces fast growing states to bear a higher and disproportionate share of sequestration cuts when sequestration is in effect.

### **How Congress can fix the formula:**

Simple. **The OAA funding formula should ensure that the dollars follow the senior.** Strike the hold harmless and allow funding to be allocated based on each state’s population of older Americans today.

- **Congress should base funding allotments on current populations – not on outdated data.** Data collection has improved since the previous reauthorization. Since 2008, the American Community Survey has begun giving us annual data on the population of older Americans that better reflects where seniors live today
- **Remove the “hold harmless” provisions from the 2006 reauthorization.** This outdated provision is inequitable and fails to treat seniors fairly nationwide. By removing the “hold harmless,” Congress can allow OAA to meet the greatest economic and social needs of all America’s seniors.

*If you have any questions, please contact Ryan Hart ([Ryan.Hart@burr.senate.gov](mailto:Ryan.Hart@burr.senate.gov)) or Margaret Coulter ([Margaret.Coulter@help.senate.gov](mailto:Margaret.Coulter@help.senate.gov)).*