

CRS Report for Congress

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Older Americans Act: Programs and Funding

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Summary

The Older Americans Act (OAA) is the major vehicle for the delivery of social and nutrition services for older persons. Originally enacted in 1965, the Act supports a wide range of services for older persons, a community service employment program, and research, training, and demonstration activities, among other programs. Authorization of appropriations for the Act expired at the end of FY1995. Its programs have continued to be funded by appropriation laws.¹ For FY2000, \$1.507 billion was appropriated for OAA programs administered by the Departments of Labor, Health and Human Services, and Agriculture.

The Administration proposed \$1.668 billion for FY2001, an increase of 10.7% over FY2000 appropriations. The major part of this increase would be \$125 million for caregiver support services. The House has approved \$1.530 billion for FY2001 for Older Americans Act programs; the Senate has approved \$1.529 billion. This report will be updated as legislative activity occurs.

Programs

Administration on Aging (AoA). Title II of the Older Americans Act establishes AoA, within the Department of Health and Human Services (HHS), as the chief federal agency advocate for older persons. It also authorizes the Federal Council on Aging, whose purpose is to advise the President and the Congress on the needs of older persons. The last time the Council received funding was in FY1995. The FY1999 Omnibus Appropriations Act contains a permanent provision prohibiting the expenditure of funds for the Council.

Grants for States and Community Programs on Aging. Title III authorizes grants to state and area agencies on aging to act as advocates on behalf of, and to coordinate programs for, the elderly. The program, which supports 57 state agencies on aging, 655

¹ For further information on reauthorization activity in the 106th Congress see: CRS Report RL30055, *Older Americans Act: 106th Congress Issues*, by Carol O'Shaughnessy.

area agencies on aging, and 27,000 service providers, currently funds five separate service programs. States receive separate allotments of funds for supportive services and centers, congregate and home-delivered nutrition services, U.S. Department of Agriculture (USDA) commodities or cash in lieu of commodities, and preventive health services. Allotments for in-home services for the frail elderly are included in the grants for supportive services and centers. Three other programs — assistance for special needs, school-based meals and multigenerational activities, and supportive activities for caretakers — are not funded. Title III services are available to all persons aged 60 and over, but are targeted to those with the greatest economic and social need, particularly low-income minority persons. Means testing is prohibited. Participants are encouraged to make voluntary contributions for services they receive.

Funding for supportive services, congregate and home-delivered nutrition services, and preventive health services is allocated to states by AoA based on each state's relative share of the total population of persons aged 60 years and over. States are required to award funds for the local administration of these programs to area agencies on aging. USDA provides commodities or cash in lieu of commodities to states, based on a formula that takes into account the number of meals served by the AoA programs.

The Title III nutrition program is the Act's largest program. FY2000 funding of \$661 million represents 44% of the Act's total funding and 67% of Title III funds. Most recent data show that the program provided about 237 million meals to almost 3 million older persons. Forty-eight percent of the meals were provided in congregate settings, such as senior centers, and 52% were provided to frail older persons in their homes.

Data from a national evaluation of the nutrition program show that, compared to the total elderly population, nutrition program participants are older and more likely to be poor, to live alone, and to be members of minority groups. They are also more likely to have health and functional limitations that place them at nutritional risk. The report found the program plays an important role in participants' overall nutrition and that meals consumed by participants are their primary source of daily nutrients. The evaluation also indicated that for every federal dollar spent, the program leverages on average \$1.70 for congregate meals, and \$3.35 for home-delivered meals.²

The supportive services and centers program provides funds to states for a wide array of social services and activities of approximately 6,400 multipurpose senior centers. The most frequently provided services are transportation, information and assistance, home care, and recreation. In FY1997, the program provided about 46 million rides, over 5.4 million hours of adult day care, and nearly 16 million hours of home care services (i.e., personal care, homemaker, or chore services).

Research, Training, and Demonstration Program. Title IV of the Act authorizes the Assistant Secretary for Aging to award funds for training, research, and demonstration projects in the field of aging. Funds are to be used to expand knowledge about aging and the aging process and to test innovative ideas about services and programs for older

² U.S. Department of Health and Human Services. Office of the Assistant Secretary for Aging. *Serving Elders at Risk: The Older Americans Act Nutrition Programs*, National Evaluation of the Elderly Nutrition Program, 1993-1995, June 1996.

persons. Title IV has supported a wide range of projects, including community-based long-term care, support services for Alzheimer's disease, and career preparation and continuing education in the field of aging.

Senior Community Service Employment Program. Title V of the Act authorizes a program to provide opportunities for part-time employment in community service activities for unemployed, low-income older persons who have poor employment prospects. The program has three goals: to provide employment opportunities for older persons; to create a pool of persons who provide community services; and to supplement the income of low-income older persons (income below 125% of the federal poverty level). Enrollees work in a variety of community service activities and are paid the higher of the national or state minimum wage or the local prevailing pay for similar employment. The program, which is not considered a job training program, supports over 61,500 jobs in program year (PY) 2000 (July 1, 1999-June 30, 2000).

Title V is administered by the Department of Labor (DOL), which awards funds to 10 national organizations and to all states. Funding is distributed using a combination of factors, including a "hold harmless" for employment positions held by national organizations in 1978, and a formula based on states' relative number of persons aged 55 and over and per capita income. Funds are distributed so that national organizations receive 78% of the total appropriation, and states receive 22%.

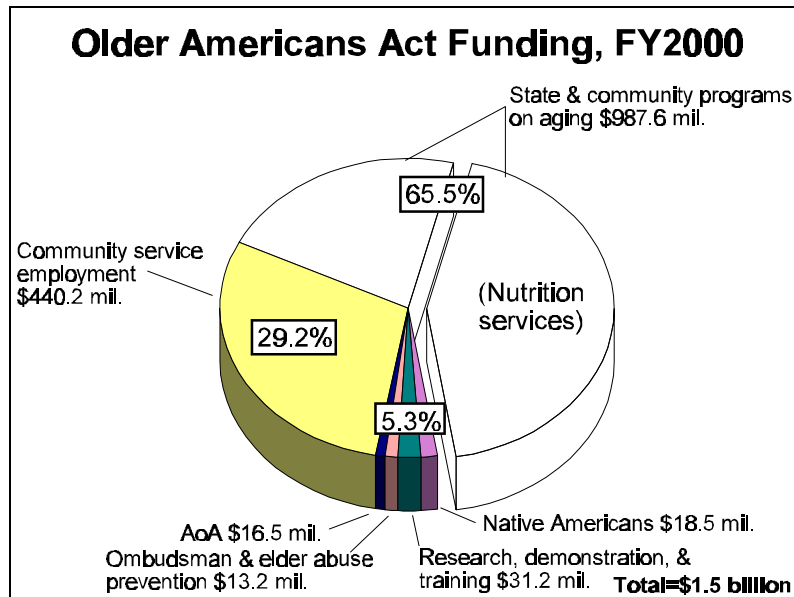
Grants for Services for Native Americans. Title VI authorizes funds for supportive and nutrition services to older Native Americans. Funds are awarded directly by AoA to Indian tribal organizations, Native Alaskan organizations, and non-profit groups representing Native Hawaiians.

Vulnerable Elder Rights Protection Activities. Title VII authorizes five separate vulnerable elder rights protection activities. States receive separate allotments of funds for the long-term care ombudsman program and elder abuse prevention activities. Three other authorized programs — elder rights and legal assistance, Native Americans elder rights program, and outreach, counseling, and assistance — are not funded. Funding for vulnerable elder rights protection activities is allotted to states based on the states' relative share of the total population age 60 and older. State agencies on aging may award funds for these activities to a variety of organizations for administration, including other state agencies, area agencies on aging, county governments, nonprofit services providers, or volunteer organizations.

The largest elder rights protection program is the long-term care ombudsman program, whose purpose is to investigate and resolve complaints of residents of nursing facilities, board and care facilities, and other adult care homes. It is the only Older Americans Act program that focuses solely on the needs of institutionalized persons and is authorized under both Title III (supportive services and centers) and Title VII. State and other nonfederal funds represent a significant amount of total funds for the program. In FY1997, about \$43 million in federal and nonfederal funding was devoted to support this program. About 62% of the program effort was supported by Older Americans Act sources; nonfederal and other funds represented about 38% of the total program support.

FY2000 Funding

On November 29, 1999, the President signed appropriations for the Departments of Labor, Health and Human Services, and Education and Related Agencies (L-HHS-ED) (P.L. 106-113). Earlier, on October 22, 1999, the President signed appropriations for the Department of Agriculture (P.L. 106-78) which includes a portion of funding for the OAA nutrition program.



For FY2000, the OAA is funded at \$1.507 billion, \$51 million more than in FY1999. This increase is 7.7% below the President's FY2000 request, but 3.5% above FY1999 appropriations. Sharp increases were included for the home-delivered nutrition program under Title III, and for Title IV training, research and demonstration activities. Funds for the home-delivered meals program increased by \$35 million, 31% more than in FY1999.

FY2000 funding for Title IV research, training and demonstration programs is \$31.2 million for FY2000, \$13.2 million over FY1999, an increase of 73%. The conference report on the bill specified that \$24 million, or 77% of the total, is to be distributed to 18 specific Title IV projects.

FY2001 Budget Request and Appropriation Activity

The Administration's FY2001 budget request includes funding of \$1.668 billion for the OAA programs, an 11% increase over the FY2000 level. The major part of this increase would be \$125 million under the supportive services category to provide grants to states to assist caregivers of the frail elderly. Assistance would range from information and counseling for caregivers to respite and home care and adult day care services. The proposal would fund caregiver services through the appropriations process without the authorization of a new separate caregiver programs as proposed in the Administration's reauthorization proposal. For further information see CRS Report RL30055, *Older Americans Act: 106th Congress Legislation*.

The House- and Senate-passed L-HHS-Ed and Department of Agriculture appropriations bills include \$1.530 billion and \$1.529 billion for OAA programs, respectively. One major difference between the House and Senate levels is accounted for in the amount proposed for the Title IV training, research, and discretionary programs; the Senate L-HHS-Ed bill includes \$31 million, the same amount available in FY2000, while the House bill includes \$9 million. In addition, the House bill includes \$170 million for the

USDA nutrition program, including \$10 million to be transferred from the Womens, Infants and Children (WIC) nutrition program. The Senate bill includes \$140 million for this program.

Various OAA reauthorization bills, including H.R. 782, reported by the Committee on Education and the Workforce, and S. 1536, approved by the Committee on Health, Education, Labor and Pensions (HELP), would authorize a new caregiver support program similar to the Administration's proposal. H.R. 782 and S. 1536 are pending House and Senate floor action. Neither the House or Senate bills appropriations bills include funding for caregiver support activities since the program has not yet been authorized.

Table 1. Older Americans Act and Alzheimer's Demonstration Program, FY1998-FY2000 Funding; FY2001 Request and House and Senate-Passed Levels
(\$ in millions)

OAA authorized programs and Alzheimer's demonstration grants	FY1998	FY1999	FY2000	FY2001 President's request	FY2001 House passed	FY2001 Senate passed
TITLE II: Administration on Aging	\$14.795	\$15.395	\$16.461	\$17.232	\$16.461	\$17.232
Federal Council on Aging	none	none	none	none	none	none
AoA program administration	14.795	15.395	16.461	17.232	16.461	17.232
TITLE III: Grants for State and Community Programs on Aging	961.798	952.336	987.617	1,137.617	1,032.617	1,002.617
Supportive services and centers	309.500	300.192	310.082	450.082 ^a	325.082	325.082
Caregiver support activities				(125.000) ^a		
Preventive health	16.123	16.123	16.123	16.123	16.123	16.123
Nutrition services	626.412	626.261	661.410	671.412	691.412	661.412
Congregate meals	(374.412)	(374.261)	(374.412)	(374.412)	(374.412)	(374.412)
Home-delivered meals	(112.000)	(112.000)	(147.000)	(147.000)	(147.000)	(147.000)
USDA commodities	(140.000)	(140.000)	(140.000)	(150.000)	(170.000)	(140.000)
School-based meals/multigenerational activities	none	none	none	none	none	none
In-home services for the frail elderly	9.763	9.763	none	none	none	none
Assistance for special needs	none	none	none	none	none	none
Supportive activities for caretakers	none	none	none	none	none	none
TITLE IV: Training, Research, and Discretionary Projects and Programs	10.000	18.000	31.162	36.162	9.119	31.162
Mental Health Initiative				(5.000)		
TITLE V: Community Service Employment	440.200	440.200	440.200	440.200	440.200	440.200
TITLE VI: Grants to Native Americans	18.457	18.457	18.457	23.457	18.457	23.457
TITLE VII: Vulnerable Elder Rights Protection Activities	none^b	12.181^c	13.181^d	13.181^e	13.181	14.181
Long-term care ombudsman program	none	(7.449)	none	none	none	none
Elder abuse prevention	none	(4.732)	none	none	none	none
Elder rights and legal assistance	none	none	none	none	none	none
Outreach, counseling, and assistance	none	none	none	none	none	none
Native Americans elder rights prog.	none	none	none	none	none	none
Total - Older Americans Act	1445.250	1456.569	1507.078	1667.849	1530.035	1528.849

OAA authorized programs and Alzheimer's demonstration grants	FY1998	FY1999	FY2000	FY2001 President's request	FY2001 House passed	FY2001 Senate passed
Programs						
Alzheimer's Demonstration Grants^f	5.99	5.97	5.97	5.97	5.97	5.97

^a For FY2001, the Administration has proposed a \$125 million caregiver support program under supportive services.

^b No separate funding provided. The House Appropriations Committee included an unspecified amount for ombudsman and elder abuse prevention under supportive services and centers. The conference committee earmarked \$4.449 million for ombudsman services and \$4.732 million for elder abuse prevention in the Title III supportive services program.

^c FY1999, Title VII activities received a separate appropriation.

^d The Senate Appropriations Committee recommended \$8.449 million for ombudsman services and \$4.732 million for elder abuse prevention services, totaling \$13.181 million.

^e In its reauthorization proposal, the Administration proposed consolidating funding for the long-term care ombudsman program, the elder abuse prevention program, the elder rights and legal assistance program, and the outreach, counseling and assistance program.

^f The FY1999 Omnibus Consolidated Appropriations Act (P.L. 105-277/H.R. 4328) transferred the administration of the program from the Health Resources and Services Administration to AoA. The program is still authorized under Section 398 of the Public Health Service Act.