



FEDERAL FUNDING PROCESS FOR THE OLDER AMERICANS ACT NUTRITION PROGRAM

OVERVIEW

The Older Americans Act (OAA) Title III Nutrition Program makes up the largest portion of funding for programs within the Act. Funding levels are set during the annual appropriations process, and Congregate and Home-Delivered Nutrition Services and the Nutrition Services Incentive Program (NSIP) are each their own line items in budget and appropriations bills. Following the appropriations process, grant allocations for states and territories are calculated using a population-based funding formula. At the state level, authority to transfer certain grant dollars between programs allows a degree of flexibility in tailoring to the individual state and community needs.

APPROPRIATIONS

OAA programs receive discretionary federal funds via the **Labor, Health and Human Services, Education and Related Agencies (Labor-HHS-Education) Appropriations Bill**. The following table shows appropriations for the OAA Nutrition Program since 2013 – the year of deep spending cuts due to sequestration.

OAA Nutrition Program Appropriations (in millions USD)								
Fiscal Years (FY) 2013 – FY 2020								
	FY 2013*	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Title III C-1, Congregate	\$416.104	\$438.191	\$438.191	\$448.342	\$450.342	\$490.342	\$495.342	\$510.342
Title III C-2, Home-Delivered	\$205.489	\$216.397	\$216.397	\$226.342	\$227.342	\$246.342	\$251.342	\$266.342
Title III, NSIP	\$146.718	\$160.069	\$160.069	\$160.069	\$160.069	\$160.069	\$160.069	\$160.069
Total	\$768.311	\$814.657	\$814.657	\$834.753	\$837.753	\$896.753	\$906.753	\$936.753

Sources: Various Labor-HHS-Education appropriations bills, conference reports and Administration for Community Living (ACL) budget and funding documents, available at <https://crsreports.congress.gov/AppropriationsStatusTable> and <https://acl.gov/about-acl/budget>
 * FY 2013 was the year of automatic, across-the-board sequestration.

Despite gradual increases in funding over the past several years – particularly since sequestration, when funding for the OAA Nutrition Program was cut approximately 6% from the fiscal year before – a documented unmet need for congregate and home-delivered meals has remained an issue. An estimated 83% of low-income, food insecure seniors do not receive the OAA nutrition services they likely need¹ and years of level funding and modest increases have not accounted for inflation and rising costs of food, gas and other needed resources.² These factors have led to 20 million fewer congregate and home-delivered meals being served by the OAA Nutrition Program in 2018 than in 2005,³ at a time when the senior population is rapidly increasing.

STATE GRANT ALLOCATIONS & FUNDING FORMULA

The Administration on Aging (AoA) – the federal agency within HHS’ Administration for Community Living (ACL) that executes OAA activities – calculates grants for states using a funding formula based on the share of the

state’s age 60+ population relative to the whole U.S. 60+ population. The AoA distributes the allocated amounts to State Units on Aging (SUAs) – the state-level agencies tasked with administering OAA programs. SUAs then further allocate grant dollars to local Area Agencies on Aging (AAAs) through intra-state funding formulas that are developed by each state agency. Intra-state formulas are different depending on the state but must be proposed to and approved by the AoA. SUAs and AAAs have the ability to administer Congregate and Home-Delivered Nutrition Services directly but primarily contract with nonprofit community-based organizations.

NSIP grants help cover the cost of food for OAA Nutrition Program meals. State NSIP allocations are calculated using a formula based on the proportion of OAA meals served by the state to total OAA meals served in the U.S. during the year prior. States have the flexibility to receive NSIP funding in the form of a grant, U.S. Department of Agriculture (USDA) commodity foods, or both.

FUNDING TRANSFER AUTHORITY

The OAA grants states the flexibility and authority to transfer funds between certain Title III programs. States are permitted to transfer up to 40% of their grant allocations between Congregate and Home-Delivered Nutrition Services, depending on the needs of the state. An additional 10% may be transferred upon the ACL’s approval of a state waiver that adequately demonstrates the need for such additional fund transfers.

Up to 30% of the funding may also be transferred between Congregate and Home-Delivered Nutrition Services (Part C) and Home and Community-Based Supportive Services (Part B), which provides access to Home and Community-Based Supportive Services such as transportation, case management, personal care, legal services and adult day care, depending on the specific types of services needed for the state’s aging population. However, states have been cautioned by Congress in Committee report language to avoid such transfers so long as there is a demonstrated need for nutrition services across the state. A provision included in the most recent authorization law, the Supporting Older Americans Act of 2020 ([P.L. 116-131](#)), instructs states to consult with local AAAs to clarify and simplify the transfer process in order to reduce administrative barriers and help ensure that limited resources are directed to the greatest nutrition services needs at the community level.

ABBREVIATIONS

AAA	Area Agency on Aging	NSIP	Nutrition Services Incentive Program
ACL	Administration for Community Living	OAA	Older Americans Act
AoA	Administration on Aging	SUA	State Unit on Aging
FY	Fiscal Year	USDA	United States Department of Agriculture
HHS	Department of Health & Human Services		

¹ US Government Accountability Office (GAO), 2015, *Older Americans Act: Updated Information on Unmet Need for Services*, <https://www.gao.gov/products/GAO-15-601R>

² AARP Public Policy Institute, 2019, *Spotlight Report: Older Americans Act*, <https://www.aarp.org/ppi/info-2019/older-americans-act.html>

³ ACL, *State Program Reports (SPR) 2005-2018*, available on the AGing, Independence, and Disability (AGID) Program Data Portal, <https://agid.acl.gov/CustomTables/>