



# 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.

OAA Nutrition Program Appropriations (in millions USD) Fiscal Years (FY) 2017 – FY 2023							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Title III C-1, Congregate	\$450.342	\$490.342	\$495.342	\$510.342	\$515.342	\$515.342	\$540.342
Title III C-2, Home-Delivered	\$227.342	\$246.342	\$251.342	\$266.342	\$276.342	\$291.342	\$366.342
Title III, NSIP	\$160.069	\$160.069	\$160.069	\$160.069	\$160.069	\$160.069	\$160.069
<b>Total</b>	<b>\$837.753</b>	<b>\$896.753</b>	<b>\$906.753</b>	<b>\$936.753</b>	<b>\$951.753</b>	<b>\$966.753</b>	<b>\$1.067 B</b>

**Sources:** Various Labor-HHS-Education appropriations bills, conference reports and Administration for Community Living (ACL) budget and funding documents, available at <https://csrreports.congress.gov/AppropriationsStatusTable> and <https://acl.gov/about-acl/budget>

Despite gradual increases in funding over the past several years, a documented unmet need for congregate and home-delivered meals remained an issue. Before the COVID-19 pandemic, an estimated 83% of low-income, food insecure seniors did not receive the OAA nutrition services the likely needed.<sup>1</sup> Leading up to the pandemic, programs were serving a smaller portion of the total senior population, as inflation alone had steadily reduced buying power of federal funding over time.

With the onset of the pandemic in March 2020, senior nutrition programs faced an unprecedented surge in demand as the number of older adults sheltering in place increased and congregate meal centers shifted how they operated. Meals on Wheels programs reported delivering an average of 100% more home-delivered meals at their pandemic peak than they served before.<sup>2</sup> In November 2022, four out of five local programs (79%) were still delivering meals to more clients than before March 2020. At the same time, three out of four local

programs (77%) have seen the all-in cost of a home-delivered meal increase in 2022 and nearly all local Meals on Wheels programs (98%) reported one or more challenges to meeting the need in the community, such as funding to pay for meals, recruiting and retaining enough volunteers and staff, food prices, gas prices and supply chain issues.<sup>3</sup>

## 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 allow 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. At the onset of the pandemic, Congress provided a temporary waiver allowing 100% transfer between Congregate and Home-Delivered Nutrition Services. States had the option to use this waiver throughout the duration of the COVID-19 public health emergency declaration.

## ABBREVIATIONS

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

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

<sup>2</sup> Meals on Wheels America, November 2020, *COVID-19 Impact Survey*, research conducted by Trailblazer Research, <https://www.mealsonwheelsamerica.org/learn-more/research/covid-19-research-portfolio>

<sup>3</sup> Meals on Wheels America, November 2022, *Fall Member Pulse Survey*, <https://www.mealsonwheelsamerica.org/learn-more/research/covid-19-research-portfolio>