

CRS Report for Congress

Older Americans Act: FY2007 Funding and FY2008 Budget Request

Updated June 19, 2007

Angela Napili
Information Research Specialist
Knowledge Services Group



Prepared for Members and
Committees of Congress

Older Americans Act: FY2007 Funding and FY2008 Budget Request

Summary

The Older Americans Act (OAA) is the major federal vehicle for the delivery of social and nutrition services for older persons. These include supportive services, congregate nutrition services (meals served at group sites such as senior centers, community centers, schools, churches, or senior housing complexes), home-delivered nutrition services, community service employment, the long-term care ombudsman program, and services to prevent the abuse, neglect and exploitation of older persons. The OAA also supports grants to Native Americans and research, training, and demonstration activities.

Continuing Resolution P.L. 110-5 (121 Stat. 8) provides funding through the end of FY2007. The President signed the bill into law on February 15, 2007. P.L. 110-5 provides an increase of \$20.4 million over FY2006 levels for Title III nutrition programs and an increase of \$51.3 million over FY2006 levels for Title V community service employment. Total FY2007 funding for OAA programs is \$1.855 billion, 4% higher than in FY2006.

For FY2008, the President's budget requests a total of \$1.685 billion for OAA programs, a 9% reduction from the FY2007 funding level. The budget requests \$1.216 billion for Title III, Grants for State and Community Programs on Aging, a 4% reduction from the FY2007 level. No funding is requested for the disease prevention and health promotion program under Title III; the program was funded at \$21.4 million in FY2007.

The FY2008 budget request also includes \$350.0 million for the Title V community service employment program, a reduction of 28% from the FY2007 level of \$483.6 million. The budget requests \$35.5 million in funding for Title IV training, research, and demonstration grants, a 47% increase from the FY2007 level.

The OAA was reauthorized through FY2011 by P.L. 109-365. For information on the 2006 amendments, see CRS Report RL31336, *Older Americans Act: Programs, Funding, and 2000 Reauthorization*, by Carol O'Shaughnessy and Angela Napili.

This report was originally co-authored with Carol O'Shaughnessy. It will be updated as warranted.

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Older Americans Act: FY2007 Funding and FY2008 Budget Request

Introduction

Originally enacted in 1965, the Older Americans Act (OAA) supports a wide range of social services and programs for older persons. These include supportive services, congregate nutrition services (meals served at group sites such as senior centers, community centers, schools, churches, or senior housing complexes), home-delivered nutrition services, community service employment, the long-term care ombudsman program, and services to prevent the abuse, neglect, and exploitation of older persons. Except for Title V, the Community Service Senior Opportunities Act, all programs are administered by the Administration on Aging (AoA) in the Department of Health and Human Services (DHHS). Title V is administered by the Department of Labor (DOL).

The OAA was reauthorized in 2006 by P.L. 109-365. For further information, see CRS Report RL31336, *The Older Americans Act: Programs, Funding, and 2006 Reauthorization (P.L. 109-365)*, by Carol O'Shaughnessy and Angela Napili.

Table 1 summarizes OAA appropriations from FY2000 through FY2007, and includes details of the FY2008 budget request. The table also includes funding for the Alzheimer's Disease Demonstration Grants and the 2005 White House Conference on Aging. **Figure 1** shows the distribution of FY2007 funding by program. **Figure 2** shows total OAA funding from FY2000 through FY2007, and total OAA funding proposed in the FY2008 budget request.

For information on OAA appropriations in earlier years, see CRS Report RL32437, *Older Americans Act: History of Appropriations, FY1966-FY2004*, by Carol O'Shaughnessy.

FY2007 Funding and FY2008 Budget Request

Continuing Resolution P.L. 110-5 (121 Stat. 8) provided funding through the end of FY2007. Signed by the President on February 15, 2007, the Continuing Resolution provides an increase of \$20.4 million over FY2006 levels for Title III nutrition programs and an increase of \$51.3 million over FY2006 levels for Title V community service employment. The bill did not specify precise dollar figures for other OAA programs, and there was some flexibility for agencies to determine program amounts based on FY2006 enacted appropriations levels. Agencies were required to report the program amounts to the appropriations committees within 30 days of enactment (§ 113). Based on information obtained from DOL and AoA, total

FY2007 funding for all OAA programs is \$1.855 billion, 4% higher than in FY2006.¹ The Administration's FY2008 budget requests \$1.685 billion, 9% lower than the FY2007 level.

Title III. Grants for State and Community Programs on Aging

The major program under the OAA, Title III — Grants for State and Community Programs on Aging — authorizes grants to 56 state and 655 area agencies on aging to act as advocates on behalf of, and to coordinate programs for, older persons. Title III accounted for 68% of the OAA's total FY2007 funding. States receive separate allotments of funds for supportive services and centers, family caregiver support, congregate and home-delivered nutrition services, the nutrition services incentive grant program, and disease prevention and health promotion services.

For FY2007, all Title III programs received \$1.263 billion. P.L.110-5 provided an increase over the FY2006 levels of \$13.9 million (a 4% increase) for congregate meals and \$6.5 million (a 4% increase) for home-delivered meals.

The FY2008 budget request is \$1.216 billion, a 4% reduction from the FY2007 level. The budget request would eliminate funds for Title III-D disease prevention and health promotion, which was funded at \$21.4 million in FY2007. The Administration's AoA Budget Justification indicates that states would still be able to provide disease prevention and health promotion activities with funds from Title III-B home and community-based supportive services.² The Administration also indicates that AoA envisions using "evidence-based" prevention and "integrating prevention as an underlying principle" in its programs, rather than providing "a small funding stream of unfocused seed money" through the separate disease promotion and health promotion services program.³ Under the FY2008 request, funding for congregate nutrition and home-delivered nutrition would each decrease 4% from FY2007 levels. Funding for family caregiver support would decrease 1% from FY2007, and nutrition services incentive grants would decrease 0.5% from FY2007. Funding for supportive services and centers would stay the same as in FY2007.

¹ Based on: U.S. Administration on Aging, *Operating Plan for FY2007* (2007); P.L.110-5, *Revised Continuing Appropriations Resolution, 2007* (121 Stat. 8, 29, 33); and email correspondence between the author and Blake Hanlon, Congressional Affairs, Department of Labor, April 9, 2007, and Steve Hagy, Director, Office of Budget & Finance, Administration on Aging, April 4, 2007.

² U.S. Department of Health and Human Services, *Fiscal Year 2008: Administration on Aging: Justification of Estimates for Appropriations Committees*, p. 28, at [http://www.aoa.gov/ABOUT/legbudg/current_budg/docs/AoA%20FY%202008%20CJ%20Final.pdf], visited June 19, 2007.

³ U.S. Office of Management and Budget, *Major Savings and Reforms in the President's 2008 Budget*, p. 48, at [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/savings.pdf>], visited June 19, 2007.

Title IV. Activities for Health, Independence and Longevity

Title IV of the OAA authorizes the Assistant Secretary for Aging to award funds for training, research, and demonstration projects in the field of aging. In recent years, AoA has funded a number of national efforts that support the work of state and area agencies on aging, including the National Long-Term Care Ombudsman Resource Center, the National Center on Elder Abuse, and other national resource centers that focus on legal assistance, retirement needs of minority populations, and the vulnerable elderly. Other recent projects have included funding for Aging and Disability Resource Centers (ADRCs). The ADRC program provides competitive grants to states to help them develop and implement “one stop shop” access points to information on long-term care support options. The program is currently operating in 43 states. Other activities have included outreach to help Medicare beneficiaries understand their benefits under the Medicare Modernization Act (MMA) (conducted in cooperation with the Centers for Medicare and Medicaid Services).

For Title IV the FY2008 budget request is \$35.5 million, an increase of 47% over the FY2007 level. About four-fifths (\$28 million) of Title IV funds would be used for Choices for Independence demonstration programs. The balance of the request would be used to maintain support for ongoing activities, including national resources centers that provide technical assistance to aging service providers, intergenerational activities, and program evaluation.

According to the Budget Justification, the Choices for Independence initiative “targets people while they are still healthy” to help them plan ahead for long-term care and “to conserve and extend their personal resources so as to maintain their independence in the community.” Choices for Independence would have three components. *First*, the “Consumer Empowerment” component would provide information to older people and their families that is “designed to increase the use of private financing options” for long-term care, such as long-term care insurance and home equity conversions, as well as other information on home modification, assistive technology, and options for living arrangements. *Second*, the “Healthy Lifestyle Choices” component would build on the existing Title IV evidence-based disease prevention initiative to help seniors change behavior to reduce risk of disease and disability. Funds would support activities in areas such as fall prevention, exercise, and nutrition. *Third*, the “Community Living Incentives” component would give states a “flexible funding source” they could use to help the elderly avoid institutionalization. This component would provide financial incentives to low-to-moderate-income individuals who are at risk of nursing home placement but who are not yet eligible for Medicaid. ADRCs would help older people and their families develop a plan to meet their long-term care needs.

The Choices for Independence demonstration would require a 25% state match for all three components, and states would have to meet certain performance standards as a condition of participation.⁴

⁴ U.S. Department of Health and Human Services, *Fiscal Year 2008: Administration on Aging: Justification of Estimates for Appropriations Committees*, pp. 49-53.

Title V. Community Services Senior Opportunities Act

Title V has as its purpose the promotion of useful part-time opportunities in community service activities for unemployed low-income persons who are 55 years or older and who have poor employment prospects. For FY2007, the community service employment program represents more than a quarter of the OAA's funds (\$484 million out of \$1.855 billion). Enrollees work part-time in a variety of community service activities. The program provided for 60,050 jobs, serving about 92,300 persons, in FY2006.⁵ The annual cost per job slot in FY2006 was \$7,153.

Enrollees are paid no less than the highest of the federal minimum wage, the state or local minimum wage, or the prevailing wage paid by the same employer for similar public occupations. In addition to wages, enrollees receive physical examinations, personal and job-related counseling, and transportation for employment purposes, under certain circumstances.

The FY2007 continuing resolution (P.L. 110-5) adds \$51.3 million in additional funds over the FY2006 funding level to provide for an increase in the minimum wage to \$5.85/hour for Title V participants in FY2007 (the program year for FY2007 funds begins on July 1, 2007).⁶

The Administration's FY2008 budget requests \$350 million, a reduction of 28% from the FY2007 level. According to the Administration, the proposal would fund approximately 39,260 positions serving 59,000 participants in 2008.⁷ A recent DOL/Office of Management and Budget program assessment rated the program ineffective, "largely due to inadequate competition in the grants process, lack of data on program performance and impact, and duplication of other Federal programs."⁸ The DoL Budget Justification indicates that many employers are finding that the

⁵ U.S. Department of Labor, FY2008 Performance Budget, Employment and Training Administration, Community Service Employment for Older Americans, p. CSEOA-13, at [<http://www.dol.gov/dol/budget/2008/PDF/CBJ-2008-V1-05.pdf>], visited June 19, 2007.

⁶ The federal minimum wage was increased by § 8102 of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act (P.L. 110-28, enacted May 25, 2007). The federal minimum wage will be raised to \$5.85 an hour, beginning 60 days after the law's enactment.

⁷ U.S. Department of Labor, FY2008 Performance Budget, Employment and Training Administration, Community Service Employment for Older Americans, p. CSEOA-13. The document states that the numbers of positions, participants, and cost per participant in FY2008 account for costs of the Fair Minimum Wage Act of 2007 (H.R. 2). The minimum wage increase proposed in H.R. 2 (§ 101 of the Senate-passed version and § 2 of the House-passed version) subsequently became law as § 8102 of P.L.110-28. However H.R. 2's proposals regarding the applicability of the minimum wage to the Commonwealth of the Northern Mariana Islands (§ 102 of the Senate-passed version and § 3 of the House-passed version) were different from § 8103 of P.L.110-28, regarding the applicability of the minimum wage to American Samoa and the Commonwealth of the Northern Mariana Islands.

⁸ U.S. Department of Labor, FY2008 Performance Budget, Employment and Training Administration, Community Service Employment for Older Americans, p. CSEOA-10.

demand for skilled workers exceeds the available labor supply and they are increasingly eager to hire older workers. Therefore, in FY2008 the Administration indicates that the workforce investment system will play a stronger role in placing older workers in unsubsidized employment, rather than have the Title V program place older workers in subsidized employment.

The Administration notes that the ultimate goal of the program is to move participants into unsubsidized employment. However, the 2006 Older Americans Act reauthorization amendments (P.L. 109-365) maintained the program focus on employing older people in community service jobs and reemphasized the community service aspects of the program. While the program is to move participants into unsubsidized employment, the amendments recognized that many older people who have special needs may need to remain in subsidized employment and that the program supplements the income for some workers who cannot find jobs in the private economy.⁹

Title VII. Vulnerable Elder Rights Protection Activities

Title VII authorizes the long-term care ombudsman program as well as elder abuse, neglect and exploitation prevention programs. Most Title VII funding is directed at the long-term care ombudsman program. Of its \$20.2 million funding in FY2007, almost three-quarters was for ombudsman activities. The purpose of the program is to investigate and resolve complaints of residents of nursing facilities, board and care facilities, and other adult care homes. The Administration's FY2008 budget request for Title VII is \$19.2 million, a reduction of 5% from the FY2007 level of \$20.2 million.

Alzheimer's Disease Demonstration Grants

The Administration's FY2008 budget request would eliminate Alzheimer's Disease Demonstration Grant funding, which was funded at \$11.7 million in FY2007. This program is administered by AoA but it is not part of the Older Americans Act. The Administration argues that "[t]he lessons learned and the models developed through these demonstrations are ready to be incorporated into ongoing service programs" and that "[t]ax dollars can better be used by focusing on disseminating information on successful, replicable, and innovative Alzheimer's care programs."¹⁰

⁹ For further information, see CRS Report RL31336, *Older Americans Act: Programs, Funding, and 2006 Reauthorization*, by Carol O'Shaughnessy and Angela Napili.

¹⁰ U.S. Office of Management and Budget, *Major Savings and Reforms in the President's 2008 Budget*, p. 47. U.S. Department of Health and Human Services, *Fiscal Year 2008: Administration on Aging: Justification of Estimates for Appropriations Committees*, p. 62.

Table 1. The Older Americans Act, Alzheimer's Demonstration Grants, and White House Conference on Aging Funding, FY2000-FY2007, and FY2008 Budget Request
(\$ in millions)

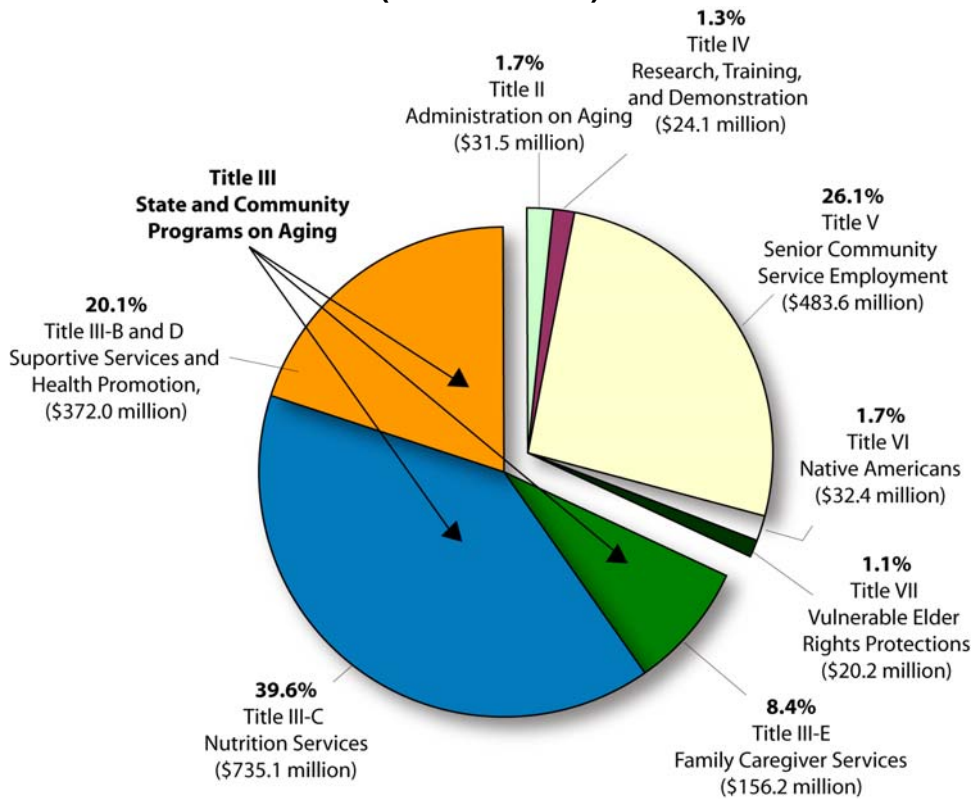
OAA Programs, Alzheimer's Demonstration Grants, and the White House Conference on Aging	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005^a	FY2006^b	FY2007^c	FY2008 request
TITLE II: Administration on Aging	\$16.461	\$17.232	\$20.501	\$20.233	\$30.618	\$31.567	\$30.812	\$31.518	\$31.829
<i>Program administration</i>	(16.461)	(17.232)	18.122	17.869	17.324	18.301	17.688	18.385	18.696
<i>Aging network support activities</i>			2.379 ^d	2.364 ^d	13.294 ^e	13.266 ^e	13.124 ^e	13.133 ^e	13.133 ^e
TITLE III: Grants for State and Community Programs on Aging	987.617	1,151.285	1,230.293	1,240.891	1,243.059	1,250.192	1,242.378	1,263.232	1,216.291
<i>Supportive services and centers</i>	310.082	325.082	357.000	355.673	353.889	354.136	350.354	350.595	350.595
<i>Family caregivers</i>		125.000	136.000 ^f	149.025 ^f	152.738 ^f	155.744 ^f	156.060 ^f	156.167 ^f	154.187 ^f
<i>Disease prevention/health promotion</i>	16.123	21.123	21.123	21.919	21.970	21.616	21.385	21.400	0
<i>Nutrition services</i>	661.412	680.080	716.170	714.274	714.462	718.696	714.579	735.070	711.509
— <i>Congregate meals</i>	(374.336)	(378.412)	(390.000)	(384.592)	(386.353)	(387.274)	(385.054)	(398.919) ^g	(383.401)
— <i>Home-delivered meals</i>	(146.970)	(152.000)	(176.500)	(180.985)	(179.917)	(182.826)	(181.781)	(188.305) ^g	(180.998)
— <i>Nutrition services incentive grants</i>	(140.000)	(149.668) ^h	(149.670)	(148.697) ⁱ	(148.192)	(148.596)	(147.744)	(147.846)	(147.110)
<i>In-home services for the frail elderly</i>	0	j	j	j	j	j	j	j	j
TITLE IV: Activities for Health, Independence, and Longevity	31.162	37.678	38.280	40.258	33.509^k	43.286	24.578	24.058	35.485
TITLE V: Community Service Senior Opportunities Act	440.200	440.200	445.100	442.306	438.650	436.678	432.311	483.611^l	350.000
TITLE VI: Grants to Native Americans	18.457	23.457	31.229	33.704	32.771	32.702	32.353	32.375	32.375
<i>Supportive and nutrition services</i>			25.729	27.495	26.453	26.398	26.116	26.134	26.134
<i>Native American caregivers</i>			5.500	6.209	6.318	6.304	6.237	6.241	6.241
TITLE VII: Vulnerable Elder Rights Protection Activities	13.181	14.181	17.681	18.559	19.444	19.288	20.142	20.156	19.166
<i>Long-term care ombudsman program</i>	1	1	1	1	14.276	14.162	15.000	15.010	14.020
<i>Elder abuse prevention</i>	1	1	1	1	5.168	5.126	5.142	5.146	5.146
<i>Legal assistance</i>	0	0	0	0	0	0	0	0	0
<i>Native Americans elder rights program</i>	0	0	0	0	0	0	0	0	0
TOTAL Older Americans Act Programs	\$1,507.078	\$1,684.033	\$1,783.084	\$1,771.057	\$1,798.051	\$1,813.713	\$1,782.574	\$1,854.950	\$1,685.146

OAA Programs, Alzheimer's Demonstration Grants, and the White House Conference on Aging	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005^a	FY2006^b	FY2007^c	FY2008 request
Alzheimer's Demonstration Grants^m	\$5.970	\$8.962	\$11.500	\$13.412	\$11.883	\$11.786	\$11.660	\$11.668	0
White House Conference on Aging	0	0	0	0	\$2.814ⁿ	\$4.520ⁿ	0ⁿ	0	0

Sources: Appropriations legislation, various years; Administration on Aging FY2007 Justification of Estimates for Appropriations Committees, FY2008 Budget documents.

- a. FY2005 amounts reflect the 0.80% across-the-board reduction required by P.L. 108-447, Division J, Section 122. The Administration was given discretion on how to distribute the reduction among individual accounts and line items.
- b. FY2006 amounts reflect two rescissions: (1) There was a 1% across-the-board reduction required by P.L. 109-148, Division B, Title III, Chapter 8, Section 3801. (2) On June 14, 2006, the HHS Secretary notified the Appropriations Committees that he would transfer funds among HHS programs to finance activities related to the Medicare drug benefit call center. This transfer was a 0.069% across-the-board reduction and it reduced Administration on Aging funds by \$0.9 million. It was authorized by Section 208 of P.L. 109-149.
- c. FY2007 figures in table are based on the Administration on Aging, *Operating Plan for FY2007*; Revised Continuing Appropriations Resolution, 2007 (P.L.110-5, 121 Stat. 8, 29, 33); and email correspondence between the author and Blake Hanlon, Congressional Affairs, Department of Labor, April 9, 2007, and Steve Hagy, Director, Office of Budget & Finance, Administration on Aging, April 4, 2007. P.L.110-5 specified dollar amounts for some, but not all, programs. Agencies had some flexibility to determine program amounts based on FY2006 appropriations.
- d. Includes \$1.2 million for the Eldercare Locator, and \$1.2 million for Pension Counseling and Information Program.
- e. Includes funds for activities previously funded under Title IV: Senior Medicare Patrols, National Long-Term Care Ombudsman Resource Center, and National Center on Elder Abuse. Also includes funds for the Eldercare Locator, and Pension Counseling and Information Program.
- f. Funding for Native American family caregiving is shown in Title VI.
- g. Funding level was specified in P.L.110-5, Revised Continuing Appropriations Resolution, 2007.
- h. Congress originally appropriated \$150 million, then rescinded \$332,000 (0.22%) pursuant to Section 1(a)(4) of P.L. 106-554.
- i. Congress transferred the program, previously funded by USDA, to AoA in FY2003.
- j. Not authorized. P.L. 106-501 eliminated separate authority for in-home services for the frail elderly, but such activities may still be funded under the Title III supportive services and centers program.
- k. See footnote e. Funds shown are reduced from FY2003 level due to transfer of some funds to Title II.
- l. Separate amounts not specified.
- m. The FY1999 Omnibus Consolidated Appropriations Act (P.L. 105-277) transferred the administration of the program from the Health Resources and Services Administration to AoA. The program is authorized under Sections 398 to 398B of the Public Health Service Act.
- n. P.L. 100-75 required the President to convene the conference no later than Dec. 31, 2005. It was held December 11-14, 2005. See [<http://www.whcoa.gov>]. FY2006 obligations for the White House Conference on Aging were funded by carryover balances of prior-year appropriations.

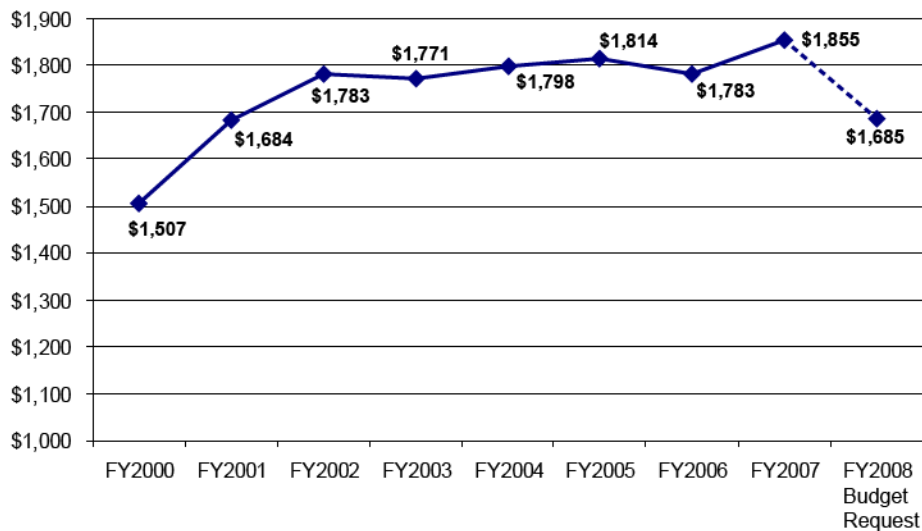
Figure 1. Older Americans Act, FY2007 Funding (\$1.855 billion)



Source: Prepared by CRS based on FY2007 Appropriations Legislation and the Administration on Aging, Operating Plan for 2007.

Figure 2. Funding for Older Americans Act Programs, FY2000-FY2007, and FY2008 Budget Request

(in millions of dollars)



Source: Prepared by CRS based on Appropriations Legislation and the Administration on Aging, Operating Plan for 2007.