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Older Americans Act: Senior Community Service Employment Program

Benjamin Collins

Analyst in Labor Policy

March 21, 2019

Congressional Research Service

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R45626



Older Americans Act: Senior Community Service Employment Program

The Senior Community Service Employment Program (SCSEP) authorizes the Department of Labor (DOL) to make grants to support part-time community service employment opportunities for eligible individuals age 55 or over. In FY2019, appropriations for SCSEP programs were \$400 million and supported approximately 41,000 positions. DOL may also refer to the SCSEP program as Community Service Employment for Older Americans (CSEOA)

SCSEP is authorized by Title V of the Older Americans Act (OAA). The Older Americans Act Reauthorization Act of 2016 (P.L. 114-144) authorized appropriations for OAA programs for FY2017 through FY2019. In FY2019, SCSEP appropriations accounted for about 20% of the funding under the OAA.

The bulk of SCSEP appropriations support two primary grant streams: one to national nonprofit organizations and one to state agencies. In the most recent program year, approximately 78% of formula grant funds were allocated to national grantees and about 22% were allocated to state grantees. Both the national organizations and state grantees subgrant funds to host agencies that provide the actual community service employment opportunities to participants.

Host agencies are responsible for recruiting eligible participants. To be eligible for the program, prospective participants must be at least age 55, low-income, and unemployed. Federal law requires host agencies to give preference to prospective participants who demonstrate additional barriers to employment such as having a disability or being at risk of homelessness.

Program participants work part-time in community service jobs, including employment at schools, libraries, social service organizations, or senior-serving organizations. Program participants earn the higher of minimum wage or the typical wage for the job in which they are employed. An individual may typically participate in the program for a cumulative total of no more than 48 months.

During orientation, participants receive an assessment of their skills, interests, capabilities, and needs. This assessment informs the development of an individual employment plan (IEP). A participant's IEP is updated throughout their participation in the program.

Grantees are subject to a performance accountability system. Performance metrics generally relate to participants' unsubsidized employment and earnings after exiting the program. In addition to outcome-based metrics, grantees are also assessed on participants' total number of hours of service and whether the grantee served participants with barriers to employment. Grantees that do not meet negotiated levels of performance may become ineligible for subsequent grants.

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March 21, 2019

Benjamin Collins
Analyst in Labor Policy
-re-acte--@crs.loc.gov

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The Senior Community Service Employment Program (SCSEP) authorizes the Department of Labor (DOL) to make grants to support part-time community service employment opportunities for eligible individuals who are age 55 or over and have limited employment prospects. Participation in the program is temporary, with the goal of transitioning participants to unsubsidized employment.

In FY2019, appropriations for the SCSEP program were \$400 million and supported approximately 41,000 positions.¹ SCSEP appropriations accounted for approximately 20% of total Older Americans Act funding in FY2019.

Authorization, Administration, and Terminology

SCSEP is authorized by Title V of the Older Americans Act of 1965, as amended (OAA; 42 U.S.C. 3056 et seq.) Since enactment of the OAA, Congress has reauthorized and amended the act numerous times. Most recently, the Older Americans Act Reauthorization Act of 2016 (P.L. 114-144) authorized appropriations for OAA programs for FY2017 through FY2019, and made other changes to the act.²

Prior to the 2016 OAA reauthorization, the OAA Amendments of 2006 (P.L. 109-365) reauthorized all programs under the act through FY2011. Although the authorizations of appropriations under the OAA expired at the end of FY2011, Congress continued to appropriate funding for OAA-authorized activities through FY2016.

Grants under the program are administered by the Employment and Training Administration (ETA) at the Department of Labor (DOL). (References to the Secretary in this report refer to the Secretary of Labor, unless otherwise specified.) SCSEP is the only OAA program administered by DOL. Other OAA programs are administered by the Administration for Community Living (ACL) at the Department of Health and Human Services (HHS).

SCSEP is supported by discretionary appropriations under the DOL-HHS appropriations bill. SCSEP programs operate on DOL's program year (PY), which operates nine months behind the fiscal year. Activities in a given program year are supported by funding from the corresponding fiscal year. For example, PY2017 ran from July 1, 2017, through June 30, 2018, and was supported by FY2017 appropriations.

Programs administered under Title V of the OAA may also be referred to as the Community Service Employment for Older Americans (CSEOA) programs. DOL uses the CSEOA and SCSEP terminology interchangeably.³

Grant Structure and Funding Formulas

From its total appropriation, the OAA establishes three reservations: (1) up to 1.5% for DOL-selected pilots, demonstration, and evaluation projects; (2) a fixed percentage of 0.75% for the

¹ DOL has not yet published the number of positions supported by FY2019 funding, but FY2019 funding was the same as FY2018 (\$400 million) and FY2018 SCSEP funds supported 41,070 positions. See DOL table at <https://www.doleta.gov/budget/docs/18OAS.pdf>.

² For more information on P.L. 114-144, see CRS Report R44485, *Older Americans Act: 2016 Reauthorization*.

³ For example, the FY2019 DOL budget justification uses CSEOA (see <https://www.dol.gov/sites/dolgov/files/legacy-files/budget/2019/CBJ-2019-V1-05.pdf>) while DOL reports performance information under SCSEP (see https://www.doleta.gov/Seniors/html_docs/GranteePerf.cfm).

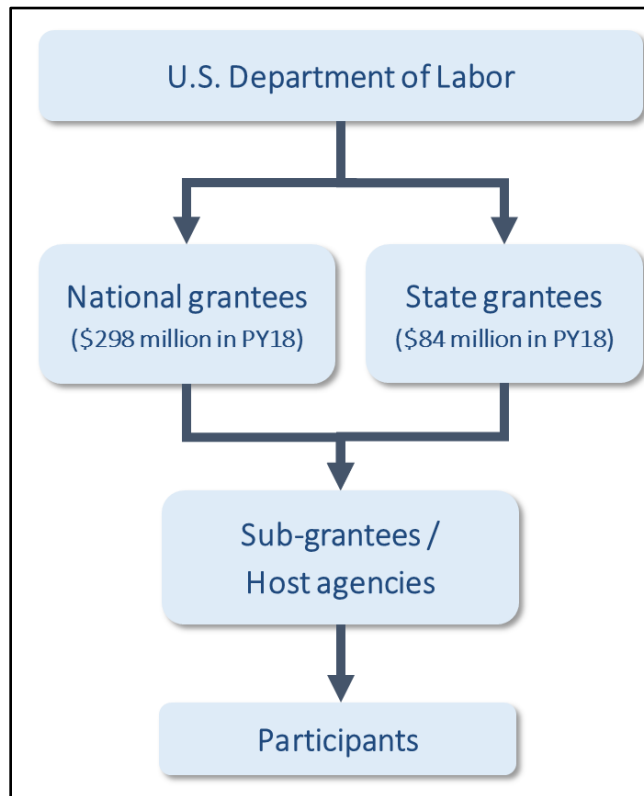
territories of Guam, American Samoa, the U.S. Virgin Islands, and the Northern Mariana Islands; and (3) a portion determined by the Secretary for activities that support eligible individuals who are American Indian and Pacific Islander/Asian American.⁴ The remaining funds are allocated to formula grants.

Title V supports formula grants to both national organizations (“national grantees”) and state agencies (“state grantees”). National grantees are typically nonprofit organizations that operate in more than one state. State grantees are state government agencies. State grantee agencies are typically housed in a state’s workforce unit or aging unit.

In PY2018, approximately 78% of funds for formula grants (\$298 million) were distributed among national grantees. There are about 15-20 national grantee organizations, including AARP and the National Council on Aging.⁵ About 22% of PY2018 funds for grants (\$84 million) were allocated to state agencies. Both national grantees and state grantees subgrant funds to partner organizations that work with *host agencies* that provide the actual employment (see **Figure 1**).

Figure 1. Allocation of SCSEP Formula Grants

(Figure excludes funds reserved under OAA Section 506)



Source: Created by the Congressional Research Service (CRS).

Note: PY2018 funding based on FY2018 appropriations.

⁴ OAA Section 506(a); 42 U.S.C. 3056f(a).

⁵ Allocations for each national grantee for PY2018 were published in DOL Training and Guidance Letter 17-17, June 13, 2018, https://wdr.doleta.gov/directives/corr_doc.cfm?docn=8825.

Funding Formula and Hold Harmless Provision

The OAA specifies that in years where funds available for formula grants exceed the “funds necessary to maintain the fiscal year 2000 level of activities supported by grantees,” the excess funds are allotted using a series of formulas that are directly correlated to the number of persons age 55 and over in the state and inversely correlated to the per capita income of the state. Thus, the formulas favor states with larger populations of persons age 55 or over and states with lower per capita incomes. The law contains hold harmless provisions that specify that in years where funds are less than their FY2000 level, funds are awarded proportionately “to maintain their fiscal year 2000 level of activities.”⁶

The last year in which funds were allocated using the formula was PY2010. Since then, funding for grants has consistently been below the FY2000 level (see **Table 1**). As such, specific grant levels have varied but each state’s relative share of grants funds has been proportionate to its FY2000 levels and a consistent share of the funding has been allocated to national grantees in each state as well as each state agency.

Table 1. SCSEP Funding, PY2010-PY2019

Program Year	Appropriation (\$ in thousands)	Funding for Formula Grants (\$ in thousands)	Hold Harmless Applied?
2010	600,425 ^a	575,671	No
2011	449,100	431,437	Yes
2012	448,251	428,674	Yes
2013	424,805	409,937	Yes
2014	434,371	417,148	Yes
2015	434,371	417,148	Yes
2016	434,371	417,148	Yes
2017	400,000	381,598	Yes
2018	400,000	382,853	Yes
2019	400,000	Not available	Yes ^b

Sources: Total appropriation levels from CSEOA Section of FY2019 budget justification, <https://www.dol.gov/sites/dolgov/files/general/budget/2019/CBJ-2019-VI-05.pdf>. Funds for grants from U.S. Department of Labor, annual summaries at <https://www.doleta.gov/budget/statfund.cfm> (PY2011-2018); https://www.doleta.gov/budget/py01_py09_arra_archive.cfm (PY2010).

Note: Appropriations from a fiscal year support activities in the corresponding program year. For example, FY2012 appropriations support activities in PY2012.

- The FY2010 appropriation was \$825.4 million, but \$600.4 million was allocated to PY2010. The remaining \$225.0 million “was provided as a one-time special appropriation to CSEOA to quickly serve additional unemployed low income seniors in the current difficult economic times.” The supplemental funding was not tied to a program year and was instead available on the date of enactment of P.L. 111-117. See CSEOA Section of FY2011 DOL budget justification for more information.
- Funding for formula grants is to be announced prior to the beginning of PY2019, which begins July 1, 2019. Due to the appropriation level, funding for grants will be below the hold harmless threshold.

⁶ OAA Section 506(d) and (e); 42 U.S.C. 3056d(d) and (e).

The OAA defines a state's allotment (and corresponding hold harmless share of funding) as the sum of the allotment for national grants in the state and the grant to the state agency.⁷ The proportion of each state's total funding that comes from grants to national organizations versus grants to the state agency varies somewhat.⁸

State Plans and Integration with WIOA⁹

As a condition of receiving SCSEP funds, each state's governor must develop and submit a state plan to DOL. The plan can be an independent document or part of a combined plan with the state's activities under the Workforce Innovation and Opportunity Act (WIOA), the primary federal workforce development legislation authorizing workforce services for the broader population.¹⁰

Whether the SCSEP plan is independent or part of a combined plan, it must provide information on individuals in the state who will be eligible for the program as well as the localities most in need of services. The plan must be developed in consultation with the state WIOA agency, national grantees operating in the state, and other stakeholders. The state plan must describe how the activities under SCSEP will be coordinated with activities under WIOA and how the state will minimize duplication between Title V and WIOA.¹¹

Responsibilities of Host Agencies and Activities of Participants

Grantees that receive funds directly from DOL typically allocate funds to subgrantees and/or host agencies that provide the actual work site placements and part-time community service employment.

Recruitment and Participant Eligibility

Host agencies are responsible for recruiting program participants. To be eligible for the program, a prospective participant must be age 55 or older, unemployed, and a member of a family with income of not more than 125% of the poverty level (\$15,613 for a family size of one in 2019).¹² Statute specifies that priority will be given to prospective participants who demonstrate additional barriers to employment. Specifically, an individual may receive priority if the individual

- is 65 years of age or older;

⁷ OAA Section 506(b); 42 U.S.C. 3056d(b).

⁸ For example, in PY2018 about 80% of Alabama's funds were allocated to national grantees operating in the state while 100% of Delaware's funds were allocated to the state agency. For each state's share of national grants and grant levels to each state agency, see PY2018 funding levels at <https://www.doleta.gov/budget/docs/18OAS.pdf>.

⁹ For more information on state plans, see Section 503 of the OAA; 42 U.S.C. 3056a as well as 20 C.F.R. 641.300-370.

¹⁰ For more information on WIOA and the associated systems, see CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*.

¹¹ OAA Section 503(a); 42 U.S.C. 3056a(a).

¹² See U.S. Department of Health and Human Services, "2019 Poverty Guidelines," <https://aspe.hhs.gov/2019-poverty-guidelines>. For levels specific to SCSEP, see DOL Training and Employment Guidance Letter 11-18, "2019 Federal Poverty Guidelines for Senior Community Service Employment Program Grants," https://wdr.doleta.gov/directives/attach/TEGL/TEGL_11-18_Attachment.pdf.

- has a disability;
- has limited English proficiency or low literacy skills;
- resides in a rural area;
- is a veteran;
- has low employment prospects;
- has failed to find employment after utilizing services provided under Title I of the Workforce Innovation and Opportunity Act; or
- is homeless or at risk for homelessness.¹³

As is the case with other DOL programs, eligible veterans receive priority of service in the SCSEP program.

Participant Employment and Related Activities

The OAA allows host agencies to employ program participants part-time in a variety of community service activities, including (but not limited to) social, health, welfare, and educational services as well as conservation and community beautification activities.¹⁴ Some participants may be employed at senior centers and other facets of the Aging Network established by the OAA, such as an Area Agency on Aging.

Program participants are paid by the host agency. Participants must earn the highest of (1) the federal minimum wage, (2) the prevailing minimum wage in the state or locality in which the participant works, or (3) the prevailing rate for individuals employed in similar occupations by the same employer.¹⁵

Title V of the OAA does not establish a definition for “part-time” and federal policy does not limit the number of hours participants can work. In establishing the cost per authorized position, however, Title V establishes a formula that includes the federal minimum wage “multiplied by the number of hours equal to the product of 21 hours and 52 weeks.”¹⁶

As part of program orientation, the subgrantee or host agency is responsible for assessing the participant, including the participant’s skills, interests, needs, and potential for unsubsidized employment. Using information from this assessment, the grantee works with the participant to develop an individual employment plan (IEP) that includes a post-service objective (including employment, if appropriate) and the timeline for achievement of that objective.¹⁷

In addition to employment, grantee organizations may also provide training and supportive services. These services can include (but are not limited to) costs of transportation, health and medical services, special job-related or personal counseling, and work-related incidentals such as eyeglasses or work shoes.¹⁸

¹³ OAA Section 518(b); 42 U.S.C. 3056p(b) and 20 C.F.R. 641.520.

¹⁴ See definition of “Community Service” in OAA Section 518(a)(1); 42 U.S.C. 3056p(a)(1).

¹⁵ OAA Section 502(b)(1)(J); 42 U.S.C. 3056(b)(1)(J).

¹⁶ OAA Section 506; 42 U.S.C. 3056d(g).

¹⁷ OAA Section 502(b)(3); 42 U.S.C. 3056(b)(3) and more detail in 20 C.F.R. 641.535(a)(3).

¹⁸ OAA Section 502; 42 U.S.C. 3056.

Individual participants are typically limited to an aggregate maximum of 48 months of participation in the program.¹⁹ Grantees are required to manage programs such that the average duration of participation for all participants does not exceed 27 months. This cap may be increased to an average of 36 months in certain circumstances such as high unemployment in the service area.²⁰

SCSEP participants are not federal employees.²¹ Regulations specify that grantees are responsible for determining whether or not a participant qualifies as an employee of the grantee, subgrantee, or host agency under applicable laws.²²

Financial Responsibilities of Grantees

Grantees must match SCSEP grants such that federal funds account for no more than 90% of the project cost. DOL may waive match requirements in cases of emergency or disaster projects or projects in economically depressed areas.²³

At least 75% of federal grants must be used to pay wages and legally required benefits for program participants. In limited cases, this requirement may be reduced to 65% if the program allocates a certain portion of funds to training and supportive services.²⁴ In most circumstances, grantees may not use more than 13.5% of their federal grant for administrative expenses.²⁵

Performance Accountability

Federal law establishes six core indicators for CSEOA grantees. Three of the six CSEOA indicators focus on unsubsidized employment and earnings after participation in the program. The performance indicators are²⁶

1. hours (in the aggregate) of community service employment;
2. the percentage of project participants who are in unsubsidized employment during the second quarter after exit from the project;
3. the percentage of project participants who are in unsubsidized employment during the fourth quarter after exit from the project;
4. the median earnings of project participants who are in unsubsidized employment during the second quarter after exit from the project;
5. indicators of effectiveness in serving employers, host agencies, and project participants; and
6. the number of eligible individuals served, including the number of participating individuals with demonstrated barriers to employment.

¹⁹ OAA Section 518(a)(3)(B); 42 U.S.C. 3056p(a)(3)(B).

²⁰ OAA Section 502(b)(1)(C); 42 U.S.C. 3056(b)(1)(C).

²¹ OAA Section 504; 42 U.S.C. 3056b

²² 20 C.F.R. 641.585.

²³ OAA Section 502(c); 42 U.S.C. 3056(c)

²⁴ OAA Section 506(c)(6); 42 U.S.C. 3056d(c)(6).

²⁵ In limited cases, this limit may be raised to 15%. See OAA Section 502(c)(3); 42 U.S.C. 3056(c)(3).

²⁶ OAA Section 513; 42 U.S.C. 3056k(b). Detailed definitions for each indicator are in regulations at 20 C.F.R. 641.710.

Indicators 2-4 are largely based on the performance accountability indicators for the general workforce programs under WIOA. Indicators 1, 5, and 6 do not have direct analogues in the WIOA performance accountability system.²⁷

The current performance accountability measures were established by the Older Americans Act Reauthorization Act of 2016 (P.L. 114-144). Grantees started reporting performance under these metrics beginning in PY2018, starting July 1, 2018.

Grantees negotiate expected performance levels with DOL. Negotiating performance levels at the grantee level allows the expected performance levels to reflect the types of participants a particular grantee serves or the environment in which it operates (e.g., the grantee serves a disproportionate number of high-need participants or operates in an area with a high rate of unemployment.) Performance accountability is assessed at the level of the grantee (i.e., the entity that receives funding directly from DOL).²⁸ Grantees are responsible for oversight of subgrantees and host agencies.

Regulations establish that performance is measured as a percentage of the negotiated level of performance. For example, if a grantee negotiates a performance rate of 50% of participants in unsubsidized employment in the second quarter after exit and 48% of the program participants subsequently meet that standard, the grantee has reached 96% of its agreed-upon level of performance. Performance in the range of 80% to 100% constitutes meeting the core level of performance.²⁹

If a national or state grantee fails to meet its negotiated level of performance, the grantee must receive technical assistance from DOL and submit a corrective action plan. If a national grantee fails to meet expected levels of performance for four consecutive years, the grantee may not compete in the subsequent grant competition. If a state grantee fails to meet the expected levels of performance for three consecutive program years, the state must conduct a competition to award its formula funds to a new grantee.³⁰

Program Data and Reports

DOL makes available several reports with SCSEP participation data.³¹ Data are reported by program year. Reports currently made available by DOL include the following:

- *Aggregate and Individual Performance Reports.* These reports include the performance of each national grantee and state agency relative to the negotiated levels of performance.
- *Nationwide Quarterly Progress.* These reports include total participation as well as data on demographics and participants' demonstrated barriers to employment.
- *Service to Minority Individuals.* These reports include information on the participation and outcomes of minorities for each grantee. The reports are required under Section 515 of the OAA.

²⁷ For more discussion of the SCSEP performance measures in the context of the WIOA performance measures, see the *Federal Register* notice and interim final rule, "Senior Community Service Employment Program; Performance Accountability," December 1, 2017.

²⁸ Grantee performance data are on the DOL website at https://www.doleta.gov/Seniors/html_docs/GranteePerf.cfm.

²⁹ See 20 C.F.R. 641.740.

³⁰ OAA Section 513; 42 U.S.C. 3056k.

³¹ All reports are available at https://www.doleta.gov/Seniors/html_docs/GranteePerf.cfm.

Author Contact Information

Benjamin Collins
Analyst in Labor Policy
/redacted/@crs.loc.gov7-....

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