

# Intrastate Funding Formula: Why it's Important to Greater MN

February 2023

# What is the Intrastate Funding Formula (IFF)?

The Intrastate Funding Formula (IFF), or allocation formula, is used to allocate federal Older American Action (OAA) funds to Minnesota's Area Agencies on Aging (AAA).

That funding is distributed to local communities to support older adults.

# Older Americans Act, Sec. 305 (a)(2)

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“States shall, (C) in consultation with area agencies, in accordance with guidelines issued by the Assistant Secretary, and using the best available data, develop and publish for review and comment a formula for distribution within the State of funds received under this title that takes into account—

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- (i) the geographical distribution of older individuals in the State; and
- (ii) the distribution among planning and service areas of older individuals with greatest economic need and older individuals with greatest social need, with particular attention to low-income minority older individuals.”

# What does the IFF fund?

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Nutrition: Home Delivered Meals (Meals on Wheels) and Congregate Dining, free or low-cost meals

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Transportation: Senior Rides, free or low-cost rides to medical appointments

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Chore Services: Snow Removal, Lawn Mowing

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Homemaking Services, Grocery Delivery

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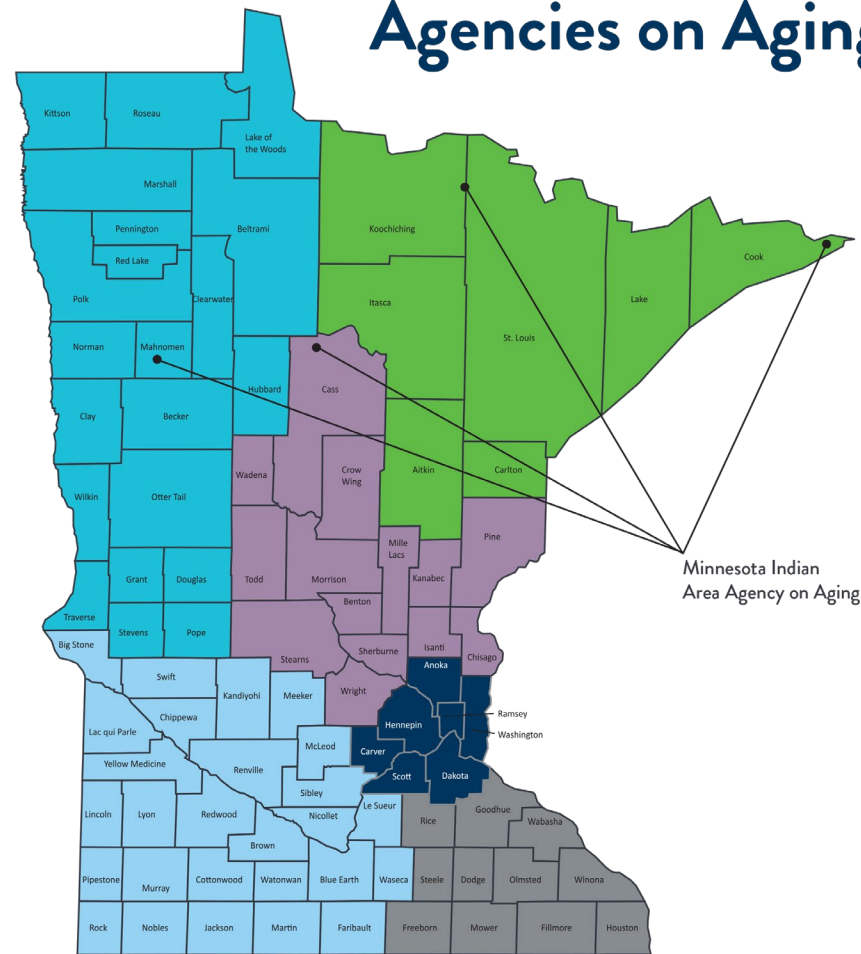
Caregiver Services: Respite, Support Groups, Adult Day Services

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Health Promotion Classes: Matter of Balance, Diabetes Self Management, Tai Chi Quan, SAIL and more!

What communities receive the funding?

# Minnesota Area Agencies on Aging

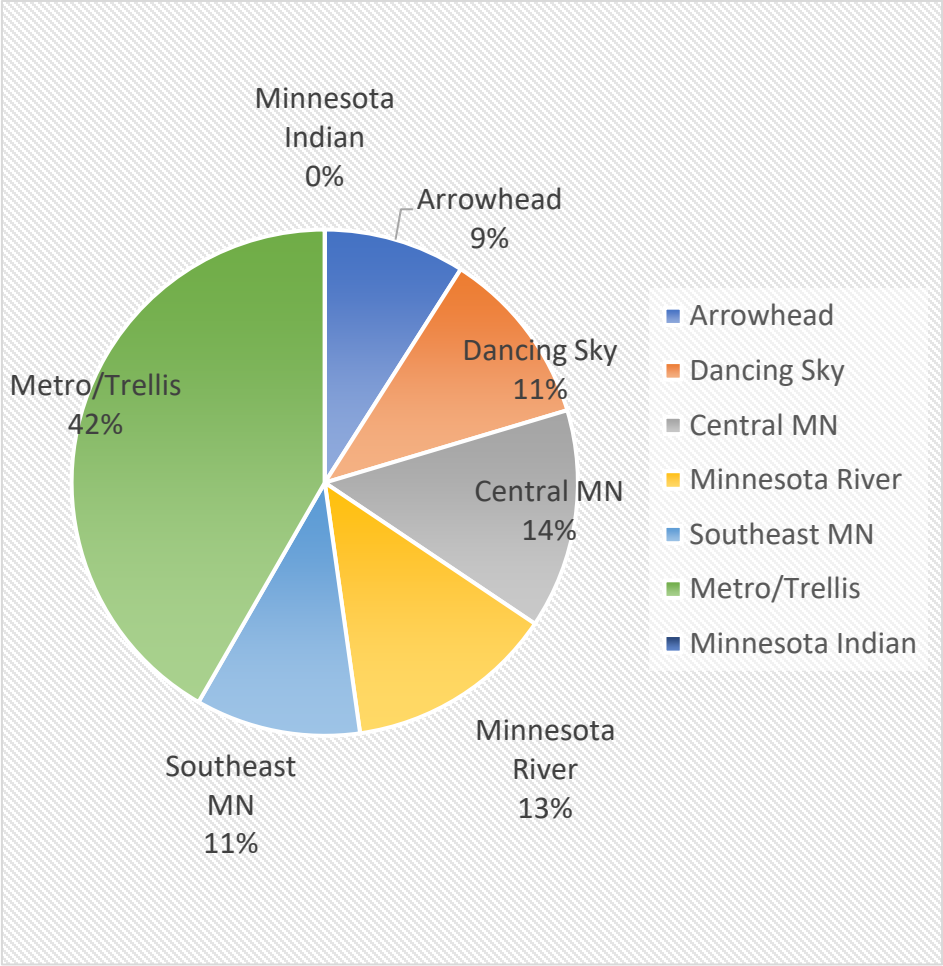


Minnesota Indian Area Agency on Aging

- Dancing Sky Area Agency on Aging
- Central Minnesota Council on Aging
- Arrowhead Area Agency on Aging
- Minnesota River Area Agency on Aging
- Trellis
- Southeastern Minnesota Area Agency on Aging

# Current Funding Formula

After applying the approved intrastate funding formula to each planning and service area using current census data, Area Agencies receive an allocation of OAA funds:



- Dancing Sky AAA 11.35%
- Arrowhead AAA 9.03%
- Central Minnesota Council on Aging 14.03%
- Metropolitan AAA/Trellis 41.69%
- Minnesota River AAA 13.36%
- Southeast Minnesota AAA 10.54%
- Minnesota Indian AAA N/A

# Who decides how the formula is weighted?

The Administration on Community Living ultimately decides but a formula must be presented to them by the Minnesota Board on Aging (MBA).

The MBA is a 25-person governor appointed board.

The MBA has been working through a strategic process and have presented 5 different iterations of the funding formula to Minnesota Area Agencies on Aging.

The Draft Formula #5 will be presented for public comment. **YOU have an opportunity to weigh in.**

# We Are Making Progress

In early iterations of the formula there were large losses (over 2M) for Greater MN AAA's and gains for Metro AAA's.

In the current formula the Minnesota Indian AAA is not included. The Minnesota Indian AAA is included in Draft #5

The Caveat: The proposed Draft #5 cuts to Greater MN are reduced, **but they are still cuts**. A reduction in Home and Community Based services and supports is not what Greater MN needs.



# Equity for Greater MN Citizens is Required

The current formula weights heavily on population, which shifts dollars to the 7 county metro area.

Rural areas face challenges and barriers to service delivery because of sparse population and distance to services

Greater MN AAA's are calling for communities to ask that '60+Rural' and other factors that affect Greater Minnesotans be given a stronger value in the formula.

# Considerations for Service Delivery in Rural Communities



## Limited Infrastructure

Few transportation options and poorly maintained roads  
Older housing in need of repairs, limited affordable senior housing  
Limited or no access to technology in some areas, including broadband



## Dispersed Population

Great distance between sparse populations  
There are disincentives for providers to serve rural areas  
Distance hampers older adults' access to services in the community



## Demographic and Economic Trends

Working-age adults leaving rural areas  
LTSS are dwindling forcing people to leave the region  
Smaller workforce pool for providers  
Fewer family members and volunteers to help older adults  
Growing aging population eligible for services, including some high-need older adults

# Supportive Services are Necessary

# Access to Services are Limited

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Only 37% (242) of all primary care clinics (661) are in rural areas.

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Only 19% (208) of all specialty care clinics (1070) are in rural areas.

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73% of Nursing Home Closures since 2011 were in Greater MN

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MN has 94 designated healthcare professional shortage areas in 53 counties for dental and primary care. Zero are in the 7-county metro area.

## Intrastate Funding Formula Comparison

- In Draft #5 Rural AAA's will lose funding
- The suggested changes would increase funding to all Rural AAA's statewide

Factor	Data Source	Weight (Current)	Weight (Draft #4)	Weight (Draft #5)	
60+	ACS	55%	35%	30%	<b>20%</b>
60+ Low Income	ACS	20%	20%	20%	<b>20%</b>
60+ Minority	ACS	10%	15%	15%	<b>15%</b>
60+ Rural	Census	10%	15%	15%	<b>25%</b>
60+ Population Density Ration	ACS	5%	5%	5%	<b>5%</b>
60+ Living with a Disability	ACS	n/a	10%	10%	<b>5%</b>
60+ Living Alone	ACS	n/a	n/a	5%	<b>10%</b>

**THE ASK:** Decrease the 60+ pop to 20%, decrease 60+ with disability to 5% increase 60+ rural to 25% and increase 60+ living alone to 10%.

# Considerations for Service Delivery in Rural Communities

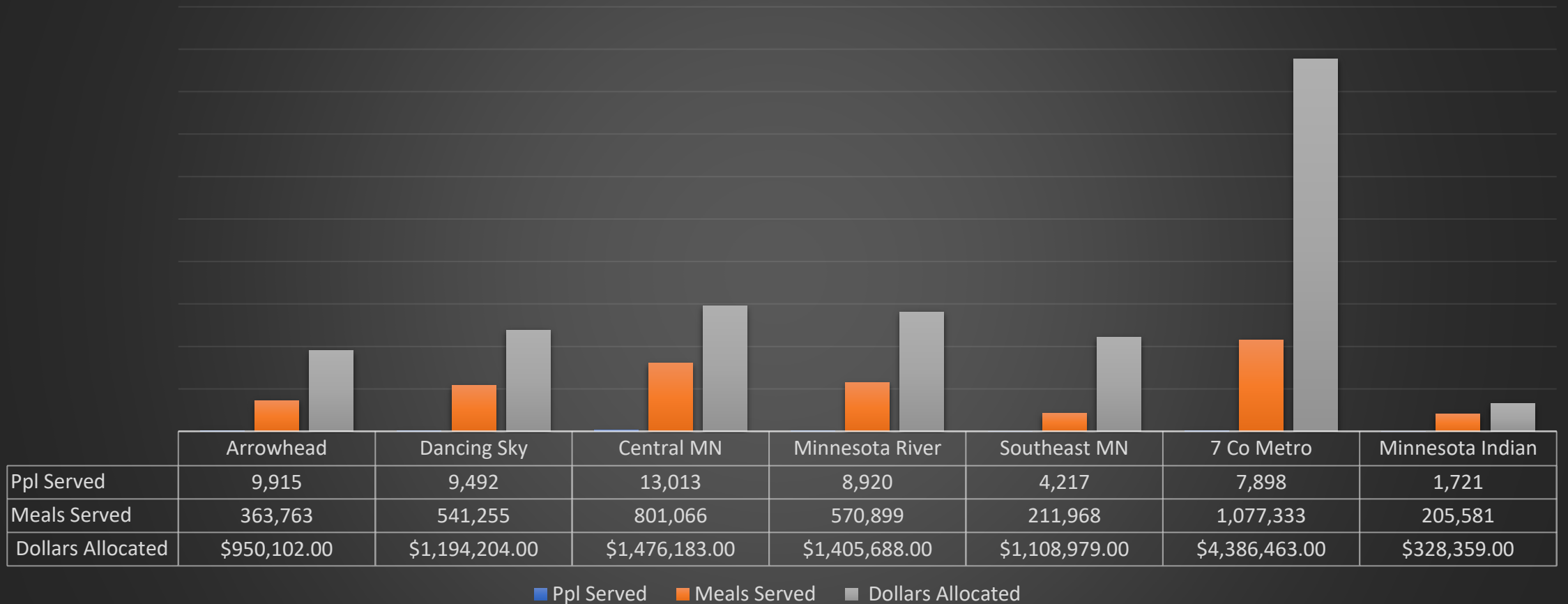
## Public Comment on IFF

PSA	Current 2023 allocations		Proposed IFF by MBA			IFF Request to Support Greater MN Seniors		
	Total OAA Title III (all titles)	%	Total OAA Title III (all titles)	%	+/- to current	Total OAA Title III (all titles)	%	+/- to current
Dancing Sky AAA	2,303,625	11.1%	2,143,840	10.3%	-159,785	2,349,471	11.3%	45,846
Arrowhead AAA	1,831,139	8.8%	1,803,098	8.7%	-28,041	1,922,685	9.3%	91,546
Central MN COA	2,845,058	13.7%	2,956,572	14.2%	111,514	3,178,060	15.3%	333,002
Minnesota River AAA	2,709,193	13.0%	2,305,701	11.1%	-403,492	2,488,241	12.0%	-220,952
Southeastern MN AAA	2,137,342	10.3%	1,852,500	8.9%	-284,842	1,892,861	9.1%	-244,481
Metro AAA dba Trellis	8,450,005	40.7%	9,144,575	44.0%	694,570	8,353,313	40.2%	-96,692
Minnesota Indian AAA	506,952	2.4%	576,986	2.8%	70,034	598,684	2.9%	91,732
<b>TOTAL</b>	<b>20,783,314</b>	<b>100%</b>	<b>20,783,272</b>	<b>100%</b>		<b>20,783,315</b>	<b>100%</b>	

IFF factors & Weights			
60+ Population	55%	30%	20%
60+ W Disability	0%	10%	5%
60+ Low Income	20%	20%	20%
60+ Minority	10%	15%	15%
60+ Rural	10%	15%	25%
60+ Population Density	5%	5%	5%
60+ Living Alone	0%	5%	10%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Nutrition – Example of how the current formula does not support Greater MN Equity

2021 Data





# The Funder of Last Resort

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OAA funding is truly the funding of last resort in many Rural MN communities.

There are often no other options for service provisions for many of the individuals we serve, (especially Nutrition).

For homebound individuals there are very limited food delivery options and those include services like Amazon and delivered meals kits that would require broadband to order.

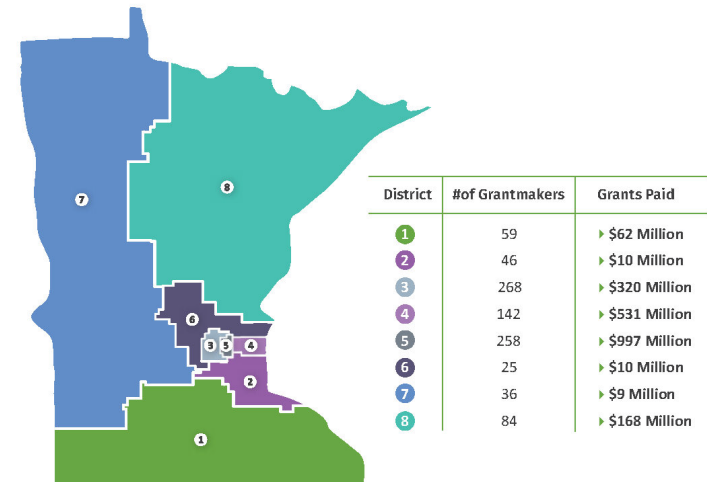
For those with no broadband, limited funding, and no transportation – there are virtually zero options outside of neighbors.

In most towns there are limited or no public transportation options, no taxi's, no Ubers – so access to food is left to Title III Home Delivered Meals or Title III funded homemaker programs such as grocery delivery and/or volunteer driver programs.

# Access to Non-Title III Funding Opportunities

- Congressional Districts 2,3,4,5,6 serve all or parts of the Metro region and contain **740 Foundations**: \$1,868,000,000 Foundation dollars awarded in 2021
- Congressional District 8 serves parts of the AAAA region and contains **84 Foundations** \$ 168,000,000 (we have 4% of the options that Metro area has for alternate funding.)
- All of the western part of MN (District 7) only has **36 Foundations** and \$9,000,000 available (Less than ½%)
- 2% of all foundation dollars in MN are directed specifically toward aging services

Grantmakers by Congressional District



Grantmakers by Congressional District

The giving reported here represents the location of the organization. In 2019, the 5th congressional district had the highest total grants paid. The 3rd congressional district had the largest number of grantmakers.



# Other Implications

## Loss of Jobs

Older Americans Act programming employs many people in the Arrowhead Region from congregate dining cooks, to in-home respite workers

## Greater migration of population to Metro Area or out of state

If these vital services cease to exist, older adults may be forced to move out of their homes

## Increase in skilled nursing facility admissions

Due to lack of in-home supports

## Exacerbated Chronic Health Conditions and increased falls among older adults

Due to lack of proper nutrition, exercise, socialization, etc.

# The Ask

Public Comment Will Be Open in April via the State Register and on the MBA website <https://mn.gov/board-on-aging/>.

Please help educate your communities.

It would support our aging community members in Greater MN if MBA would consider a IFF formula draft to reflect:

A decrease in the 60+ population to 20%, decrease 60+ with disability to 5%, increase 60+ rural to 25% and increase 60+ living alone to 10%.  
The final formula would look like this:

The net result would be an increase for all outstate AAA's.

	60+ Population	60+ with Disability	60+ Low Income	60+ Minority	60+ Rural	60+ Population Density	60+ Living Alone
Desired IFF	20%	5%	20%	15%	25%	5%	10%

Questions?  
Please contact  
your local AAA

**Arrowhead Area Agency on Aging**

Kristi Kane, Director [kkane@ardc.org](mailto:kkane@ardc.org)

Main: 218-722-5545 Cell: 218-244-9639

**Counties served:** Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis

**Central MN Council on Aging**

Lori Vrolson, Executive Director [Lori@cmcoa.org](mailto:Lori@cmcoa.org)

Main: 320-253-9349

**Counties served:** Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, & Wright

**Dancing Sky Area Agency on Aging**

Heather Pender, Director [heather@nwrdc.org](mailto:heather@nwrdc.org)

Main: 218-745-6733

**Counties served:** Becker, Beltrami, Clay, Clearwater, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Traverse, Wilkin

**Minnesota River Area Agency on Aging**

Jason Swanson, Executive Director [jswanson@mnraaa.org](mailto:jswanson@mnraaa.org)

Main: 507-387-1256

**Counties served:** Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Kandiyohi, Lac qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Meeker, Murray, Nicollet, Nobles, Pipestone, Redwood, Renville, Rock, Sibley, Swift, Waseca, Watonwan, & Yellow Medicine

**Southeastern MN Area Agency on Aging**

Laurie Brownell, Director [Laurie@semaaa.org](mailto:Laurie@semaaa.org)

Main: 507-288-6944

**Counties served:** Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, & Winona



# THANK YOU!

Thank you for supporting aging community members. We believe all deserve to age in the best way possible and in the communities of our choice!