**BACKGROUND**

Funding for Virginia’s area agencies on aging (AAAs) is allocated via an advanced payment method. AAA funding is estimated based on the previous year’s funding, with adjustments made as the year progresses based on the final federal allocation Virginia receives.

DARS receives federal funding allocations broken down by: VII – Chapter 3 (Elder Rights) or VII – Chapter 2 (Ombudsman).

The funding factors used in the IFF are applied to the Title VII – Chapter 3 (Elder Rights) allocations.

**APPLYING THE IFF**

**1. STATE PLAN ADMINISTRATION**

No administrative expenses are removed from VII – Chapter 3 (Elder Rights) or VII – Chapter 2 (Ombudsman).

**2. INITIAL RESERVES**

After accounting for state plan administrative expenses but before apply the funding formula, DARS sets aside approximately 5% of the funds within VII – Chapter 3 (Elder Rights) and VII – Chapter 2 (Ombudsman) as a reserve. This is later allocated as indicated in Item 5.

**3. FUNDING FORMULA PART 1**

For federal allocations within Title VII – Chapter 3 (Elder Rights): DARS allocates 50% of the 2012 federal allocation for each category to each AAA. The allocation for each category for each AAA is a fixed amount calculated based on the 2012 IFF.[[1]](#footnote-1)

For federal allocations for Title VII – Chapter 2 (Ombudsman): DARS allocates a base comprised of federal and state funds of $15,000 for a single ombudsman program and a base of $25,000 for a joint program.[[2]](#footnote-2) In FFY 2021, PSAs received the following:

**4. FUNDING FORMULA PART 2**

For federal allocations within Title VII – Chapter 3 (Elder Rights): The remaining current fiscal year's allocation for each category is allocated to the AAAs as directed:

For each jurisdiction, DARS obtains the population figures from the most recent 5-year American Community Survey (ACS) special compilation produced by the U.S. Census Bureau for the Administration on Community Living (ACL). Each jurisdiction’s population figures are collected for: 1) Population 60+, 2) Population 60+ in Rural Jurisdictions, 3) Population 60+ in Poverty, and 4) Population 60+ Minority in Poverty.

Once DARS obtains the jurisdiction figures, DARS allocates federal funding within each funding category using the weighted factors as follows:

|  |  |
| --- | --- |
| **Factor** | **Weight** |
| Population 60+ | 30% |
| Population 60+ in Rural Jurisdictions | 10% |
| Population 60+ in Poverty | 50% |
| Population 60+ Minority in Poverty | 10% |
| **TOTAL** | **100%** |

In other words, within each funding category, for each jurisdiction, each factor is weighted and compiled for a PSA’s total weight. This determines each PSA’s proportion of the overall funding allocation for each funding category.

For federal allocations for Title VII – Chapter 2 (Ombudsman): The remaining current fiscal year's federal allocation for Title VII – Chapter 2 (Ombudsman) is allocated to the AAAs as directed:

For each jurisdiction, DARS obtains updated figures of long-term care beds from:

|  |  |
| --- | --- |
| **State Agency** | **Bed Type** |
| Virginia Department of Health (VDH) | Nursing Facility Beds  |
| Virginia Department of Social Services (VDSS) | Assisted Living Facility Beds |
| Virginia Department of Behavioral Health and Developmental Services (DBHDS) | State Geriatric Mental Health Beds  |

Within each funding category, for each jurisdiction, the total number of beds is calculated for each PSA. This determines each PSA’s proportion of the overall federal funding allocation for this category.

**5. RESERVE ALLOCATION**

For VII – Chapter 3 (Elder Rights) and VII – Chapter 2 (Ombudsman) toward the end of the FFY, the funds held in reserves are calculated and allocated using the same process identified in Item 4.

**6. REALLOTTED FUNDS**

In instances when Virginia receives an additional allotment of federal funds beyond what was estimated or when federal funds are allocated to DARS late in the FFY, DARS adds the reallotted funds to the reserve funds and follows the same process identified in Item 4.

1. Note: The 2012 IFF mirrors the current IFF identified in Item 5. [↑](#footnote-ref-1)
2. In FFY2021, PSA 13 did not operate an ombudsman program. The base funding for this PSA’s ombudsman program was provided directly to the Office of the State Long-Term Care Ombudsman instead. [↑](#footnote-ref-2)