**Section 230.45 Intrastate Funding Formula**

The Department, following consultation with all Area Agencies on Aging in the State, shall develop and utilize an Intrastate Funding Formula which meets the requirements specified in 45 CFR 1321.

a) The Department shall allocate Title III Older Americans Act (42 USC 3001 et seq.) funds and State General Revenue Funds (GRF) appropriated for distribution to the 13 Area Agencies on Aging on a formula based in accordance with Older Americans Act requirements.

b) For purposes of this Section, the following terms have the meanings specified:

"Base" means the allocation for Federal Fiscal Year (FFY) 1992 as of March 1, 1992 for each source of funds (e.g., Title III-B, Title III-C1, Title III-C2, Title III-D, GRF Match, GRF Home Delivered Meals, etc.) distributed by the Department to the 13 Area Agencies on Aging for their respective Planning and Service Areas. In Federal FY 1993, the "base" means two-thirds of the FFY 1992 base for each source of funds. In Federal FY 1994, the "base" means one-third of the FFY 1992 base for each source of funds. Each Area Agency on Aging has a "base" level for each source of funds it receives from the Department to be administered through the Area Plan on Aging.

"Bureau of the Census" means the Bureau of the Census, U.S. Department of Commerce.

"Housing unit" means a house, an apartment, a group of rooms, or a single room occupied as a separate living quarters.

"Living alone" means being the sole resident of a housing unit.

"Minority group" means those persons who identify themselves as belonging to a particular ethnic/racial grouping as classified by the Bureau of the Census.

"PSA" means a Planning and Service Area which is designated pursuant to Section 230.47.

"Poverty threshold" means the income cutoff which determines an individual's poverty status as defined by the Bureau of the Census.

"Rural area" means a geographic location not within a Metropolitan Statistical Area (MSA) as defined by the Bureau of the Census.

c) In order for a particular factor to be included in the Intrastate Funding Formula, it must:

1) be derived from data which is quantifiable by PSA;

2) be based on data which is derivable from the Bureau of the Census; and

3) characterize at least 5% of the State's population 60 years of age and older.

d) The Formula contains the following factors:

1) The number of the State's population 60 years of age and older in the PSAs as an indicator of need in general (60+ population).

2) The number of the State's population 60 years of age and older at or below the poverty threshold in the PSAs as an indicator of greatest economic need (GEN – 60+ Poverty).

3) As indicators of greatest social need, the number of the state's elderly in the PSAs who are:

A) 60 years and over and a member of a minority group (GSN – 60+ Minority);

B) 60 years of age and over and living alone (GSN – 60+ Living Alone);

C) 75 years of age and over (GSN – 75+ Population).

4) The number of the state's population 60 years of age and older residing in rural areas of the PSAs as a means of assuring that the State will spend an amount equal to or not less than 105% of the amount expended for services to rural elderly in Federal FY 78.

e) The Funding Formula factors are weighted as follows:

1) 60+ Population 41.0%

2) Greatest Economic Need: 25.0%

(60+ Poverty)

3) Greatest Social Need: 25.0%

(60+ Minority - 10.0%)

(60+ Living Alone - 7.5%)

(75+ Population - 7.5%)

4) 60+ Rural 9.0%

f) The Intrastate Funding Formula is:

1) A = (.41 POP-60 + .25 POV-60 + .10 MIN-60 + .075 LA-60 + .075 POP-75 + .09 RUR-60) X (T)

2) Where:

A) A = Funding allocation from a specific source of funds to a particular PSA.

B) POP-60 = Percentage of the state's population within the particular PSA age 60 and older.

C) POV-60 = Percentage of the state's population within the particular PSA age 60 and older at or below the poverty threshold.

D) MIN-60 = Percentage of the state's population within the particular PSA age 60 and older and a member of a minority group.

E) LA-60 = Percentage of the state's population within the particular PSA age 60 and older and living alone.

F) POP-75 = Percentage of the state's population within the particular PSA age 75 and older.

G) RUR-60 = Percentage of the state's population within the particular PSA age 60 and older not residing in the MSA.

H) T = The total amount of funds appropriated from a specific source of funds.

g) The base is to be used as the starting point when calculating the distribution of funds in Federal FY 1993 and Federal FY 1994 from a source of funds to be allocated to the Area Agencies on Aging for their respective PSAs.

1) Each PSA will receive its base allocation from that source of funds plus its share of the additional funds above the base level. Each PSA's share of the additional funds is calculated by use of the Formula delineated in subsection (f)(1).

2) When the amount of funds appropriated to the Department for allocation to the Area Agencies on Aging for their respective PSAs from any source of funds decreases below the base level, each PSA will receive its base allocation from that source of funds minus its share of the reduction in funds. The percentage reduction in funds for each PSA will equal the percentage reduction for the source of funds that was reduced.

h) In Federal FY 1995 and in each year thereafter, each PSA's share of the funds from any source of funds is to be calculated by use of the Formula delineated in subsection (f)(1).

i) The data used in the Intrastate Funding Formula reflects the most current and up-to-date information from the Bureau of the Census, including mid-census estimates when available.

j) The only exceptions to the above provisions will be the distribution of Ombudsman and Title III-G funds and in instances of a legislatively directed program requiring funding at a designated level for a defined target population. These funds will be distributed in accordance with the prescribed Formula stated in the applicable legislation. If there is not a prescribed Formula stated in the applicable legislation, the Department has the authority to determine the methodology to be used to distribute the funds.

k) Whenever the Director determines that any amount allotted to an Area Agency on Aging for a Fiscal Year under this Formula will not be used by such Area Agency on Aging for carrying out the purposes for which the allotment was made, the Director may, in accordance with this subsection, make such allotment available for carrying out such purpose to one or more other Area Agencies on Aging to the extent the Director determines that such other Area Agencies on Aging will be able to use such additional amount for carrying out such purpose. Funds will be reallotted to those Area Agencies on Aging which request and demonstrate the need for additional funds in accordance with procedures developed by the Department. Any reallotment amount made available to an Area Agency on Aging from an appropriation for a Fiscal Year in accordance with the preceding sentence shall, for the purposes of this title, be regarded as part of such Area Agency's allotment for such year, and shall remain available only until the end of that Fiscal Year. Funds available for reallotment will be:

1) those in excess of an Area Agency's allowable carryover amount determined by the financial closeout of the Fiscal Year;

2) those carryover funds available to an Area Agency on Aging determined by the financial closeout of the Fiscal Year but not requested by an Area Agency on Aging; and

3) those funds offered to the Department for reallotment by an Area Agency on Aging.

l) If the Director finds that any Area Agency on Aging has failed to qualify under the Area Plan Requirements of the Older Americans Act, or Section 230.140, the Director may withhold the allotment of funds to such Area Agency on Aging. The Director shall direct the disbursement of the funds so withheld directly to any qualified public or private nonprofit institution or organization, agency, or political subdivision in order to ensure continuity of services pursuant to Section 230.145.

m) The allotment to an Area Agency on Aging may be reduced by the amount of any disallowance, in the Fiscal Year following the identification of the disallowance, if that Area Agency on Aging has expended funds allocated under this Part:

1) for purposes which an audit report determines to be questioned costs which are deemed disallowed by the Department;

2) for purposes which an audit report determines to be unallowable; or

3) for purposes which are otherwise determined to be unallowable according to cost principles contained in applicable OMB Circulars or the approved grant/contract award.

n) If an Area Agency on Aging does not expend the required minimum percentage of their Title III-B allocation on access services, in-home services, and legal services as established by the Department, pursuant to the Older Americans Act in a Fiscal Year as determined by the financial closeout report, and no waiver of the requirement has been granted by the Department for that Fiscal Year, the Area Agency on Aging must, for the next Fiscal Year following the submission of their report, expend the minimum percentage established for that next Fiscal Year, PLUS the amount they were deficient in meeting the minimum percentage in the reported year. If the Area Agency on Aging does not expend the required amount in the subsequent Fiscal Year, the amount that they were deficient from that required expenditure amount may be withheld from the Area Agency on Aging during the Fiscal Year following the Fiscal Year in which the shortage is determined.

(Source: Amended at 16 Ill. Reg. 15401, effective September 28, 1992)