

DD Act New Formula Overview

Administration on Intellectual and Developmental Disabilities
U.S. Department of Health and Human Services

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DD Act Requirements

The Developmental Disabilities Assistance and Bill of Rights Act of 2000 (DD Act) Section 122 requires that appropriated funding be allotted on the basis of:

1. Total population of the state/territory
2. Need for services for people with DD in the state/territory
3. Financial need of the state/territory

DD Act Requirements

- The DD Act also requires
 - Minimum allotments for states and territories
 - Adjustments to the minimum allotments when there is an increase in appropriations and an increase in Consumer Price Index (CPI)
 - Hold harmless for Councils, only
 - Reduction of Allotment: allotted amount proportionately reduced

DD Formula

- Minimum allotments (as adjusted)
- Hold harmless (for Councils)
- Allotments based on
 1. Total population of the state/territory
 2. Need for services for people with DD in the state/territory
 3. Financial need of the state/territory

New Formula

DD Act	Weight	Data Source	Notes
Minimum allotment	N/A		<i>No change</i>
Total population	30%	July Census estimated figures released August each year	
Need for services for people with DD	30%	Based on 1.58% prevalence rate for DD in each State/Territory from the HHS National Health Interview Survey on Disability (NHIS-D).	Considered to be most reliable estimate
Financial Need of the State/Territory	20%	Poverty counts for States and Puerto Rico, Census Bureau	Latest data is as of 2014
	20%	Unemployment counts for States and Puerto, Bureau of Labor Statistics (BLS)	Data is as of July 2015
Hold harmless	N/A	Prior year award amount, amounts from 2000, 2001, 2002, minimum	Councils only
Reduction	N/A	If aggregated amounts to be allotted exceeds the total amount appropriated, each state's amount should be proportionately reduced.	

DD Formula

- Hold Harmless, for Councils only
 - Prior year award amount, 2000, 2001, 2002, minimum amount
 - FY 2016 was the highest award year for the DD Councils
- Reductions if appropriated funds are less
 - President's Proposed Budget 1% hold back to pay for grant administration costs

Goal for Revising the Formula

- Goal to create a formula that is:
 - Consistent with Congress' intent to provide funds to states based on greatest need
 - Clear
 - Concise
 - Transparent

DD Formula

- Final printed in Federal Register on Wednesday, May 11, 2016
- After March notice, AIDD received 75 comments
 - A number of issues raised were statutory issues such as minimum allotments and need to be addressed through reauthorization
 - AIDD recognizes that States have situations that are unique to one or several States

DD Formula

- AIDD and Grants management did a number of formula runs using different weights
- The variances were not that different, however:
 - Because of the Hold Harmless clause, the outcome for the Councils would have been the same
 - Councils will not see a difference until a time that the new formula is run

DD Formula Phase-In

- The P&As will have a phase-in of the new formula
 - FY '17: $\frac{3}{4}$ old formula and $\frac{1}{4}$ new formula
 - FY '18: $\frac{1}{2}$ old formula and $\frac{1}{2}$ new formula
 - FY '19: 100% new formula
- The Councils will not have a phase-in because of the Hold Harmless

Formula Runs

- Federal Register Notice in March was a “what if” the formula had been run with FY '16 appropriations
- AIDD will not run the formula for FY '17 unless appropriations rise to such a level that requires a new formula run – as per the DD Act (due to Hold Harmless clause)

FY '17 Estimates

- The FY 2017 estimates for the DD Councils is based on the Hold Harmless, with the FY 2016 allotments as the basis for the Hold Harmless amounts.
- FY2017 has a 1% set-aside for the “Grants System Cost”, therefore:
 - The total amount for making allotments is reduced from \$72,975,000 to \$72,270,000.
 - With this decrease, each estimated award amount is 99% of the amount received in FY 2016 (or a 1% reduction).

FY '17 Estimates

- Please note that for the FY 2017 awards:
 - ACL will use the FY 2016 allotments as the Hold Harmless Amount for all DDCs as it was the highest award year for all Councils (in the range of years of the Hold Harmless Clause). In
 - The formula will only be run when there is an appropriation increase large enough that:
 - Adjustments are made to increase the minimum allotments as required under the DD Act
 - All Hold Harmless amounts are met
 - Funds remain available after meeting the above to make additional allocations to Councils that are above the minimum amounts.

What to Expect in FY '17

- It is UNKOWN what will happen in the fall especially given that it is an election year
- What to expect: Continuing Resolution(s) are likely, at least through December if not through the winter
- The President has requested flat funding for the Councils

Questions??

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ADMINISTRATION ON
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