

## Basic State Grant Award Formula Information

The Developmental Disabilities Assistance and Bill of Rights Act of 2000 ([P.L. 106-402](#)) (DD Act) provides, among other things, formula grants to States for the purpose of operating State Councils on Developmental Disabilities and Protection & Advocacy Systems for People with Developmental Disabilities.

The DD Act provides authority and flexibility in Section 122 to AIDD to determine the formula for allocating annual grant awards using three statutory factors for determining each state's funding amount. These factors are:

- ✓ Total population of the state/territory
- ✓ Need for services for people with DD in the state/territory
- ✓ Financial need of the state/territory

Formula (revised for use beginning FY 2017)

1. *State/Territory Population (30%)*: Based on July Census figures released in August of each year.
2. *Need for services (30%)*: Based on a 1.58 percent prevalence rate for developmental disabilities in each State and Territory from the HHS National Health Interview Survey on Disability (NHIS-D).
3. *Financial need (40%)*: Use a combination of poverty (20%) and unemployment rates (20%) from July of each calendar year.

In addition to the formula, the DD Act prescribes minimum allotments for states with small populations and territories (Puerto Rico is not considered a territory under the DD Act). About half of the states receive a minimum allotment. The DD Act also requires adjusting (increasing) the minimum allotment amounts if certain criteria are met. After minimum allotments are met, the remaining appropriations are allocated using the formula.

Additional criteria for increasing the minimum allotment amounts include an adjustment when the appropriation increase percentage for a fiscal year is greater than the Consumer Price Index (CPI) increase percentage comparing the prior fiscal year with the immediately preceding fiscal year. However, DD Act is silent when appropriation increase percentage for a fiscal year is less than the Consumer Price Index (CPI) increase percentage comparing the same two fiscal years as described before. See DD Act, Section 122(a)(6)(A-B).

Finally, the Act requires a hold-harmless for the State DD Councils that was passed as an amendment to the DD Act in 2003, [P.L. 108-154](#). Through this hold-harmless clause, SCDD awards are based on the award amount from the previous year, FY 2000, FY 2001, or FY 2002, whichever is highest. If there are not enough funds available to fully fund all the awards, the SCDDs then receive an equal percent reduction.