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Developmental Disabilities Amendments of 1999: Bills

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THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

JUN 29 1999

The Honorable Albert Gore, Jr.  
President of the Senate  
Washington, D.C. 20510

Dear Mr. President:

Enclosed for the consideration of the Congress is the Administration's draft bill entitled the "Developmental Disabilities Assistance Amendments of 1999". The bill amends programs for individuals with developmental disabilities (DD) under the Developmental Disabilities Assistance and Bill of Rights Act (the Act), and extends authorizations for these programs through FY 2004. Key changes made by the bill are summarized below. The provisions of the bill are detailed in the enclosed section-by-section summary.

The bill provides authorizations of appropriations of approximately \$120 million for FY 2000. Of this amount, \$64,803,000 will support State DD Councils, \$26,718,000 will fund State Protection and Advocacy systems (P&As); \$17,461,000 will go to University Affiliated Programs (UAPs); and \$10,250,000 will fund Projects of National Significance (PNS), with such sums as necessary authorized for FYs 2001-2004.

The bill replaces the current set of four Federal priority area activities (relating to community living, employment, child development, and system coordination and community education) with six life goal activities that comply with existing Government Performance and Results Act (GPRA) reporting requirements. These life goal activities include education, employment, health, housing, community support, and self-determination. The outcome measures were developed in collaboration with consumer and program representatives, and will promote independence, productivity, and integration and inclusion in the community of individuals with DD.

The bill substantially revises the formula for allotting appropriations among State DD Councils and P&As. Current law requires the formula to take into account "the extent of need for services for persons with DD". This requirement has proven difficult to administer. The only data available on numbers and location of persons with DD are incomplete and ill-suited to the DD Act's purposes. The best available data (on numbers of children receiving supplemental security income (SSI)) are ill-suited for distribution of DD funding for a number of reasons: the data are unavailable for the territories; changes in the SSI eligibility standards or definition of disability can affect DD Act funding distribution in unpredictable ways; and use of means-tested SSI numbers effectively disregards persons above SSI eligibility levels (and may even penalize States that have been most effective in placing individuals with DD in employment).

The Honorable Albert Gore, Jr.--Page 2

Using SSI data as a factor in determining allocations results in unpredictable, arbitrary and inequitable differences in funding levels among States.

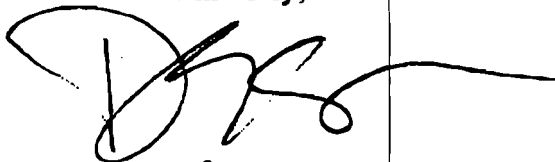
The revised allotment formula is based on general population instead of using imperfect data (e.g., SSI) as a proxy for individuals with DD. It further simplifies application of the formula by replacing the minimum allotment guarantee for small States with an equivalent base allotment for all States. The formula includes a hold-harmless provision that phases out after FY 2002. Beginning in FY 2003, a new incentive allotment, from the final 5 percent of funds available, would be awarded to States that achieve benchmarks established by the Secretary in regulations with respect to outcomes related to life goal activities under their plans.

The bill also amends part D of the Act (UAPs) in its entirety, by consolidating into a single UAP grant what are currently separate amounts for the basic grant and for training initiative projects. Other amendments incorporate the life goal activities, to foster collaborative efforts with other DD Act programs and responsiveness to GPRA requirements. These amendments make program organization, purposes, and requirements easier to understand and eliminate redundant and obsolete provisions.

Finally, the bill amends part E of the Act (PNS) to provide authority for the Secretary to enter into interagency agreements with other Federal agencies to carry out PNS activities or activities of common interest related to the purposes of part E. For such purposes the Secretary is authorized to transfer funds appropriated under this part to such other agencies, and to receive and use funds from such agencies. This authority, modeled on current authority of the Department of Education (DoED), will substantially enhance HHS's ability to collaborate with other Federal agencies, including DoED, on joint initiatives.

We urge the Congress to give the draft bill its prompt and favorable consideration. The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Shalala', with a long horizontal flourish extending to the right.

Donna E. Shalala

Enclosures

**PROPOSED DEVELOPMENTAL DISABILITIES PROTECTION AND ADVOCACY  
ALLOTMENTS BASED ON NEW FORMULA**

**Proposed Increases for the Territories**

American Samoa: \$22,033  
(from ~~\$139,873~~ in FY99 to ~~\$161,906~~ in FY00)

+ 101

more  
(123)

005 99

351,497  
~~139,873~~

Guam: \$22,793  
(from ~~\$136,873~~ in FY99 to ~~\$159,666~~ in FY00)

+ 99

(122)

348,497  
~~136,873~~

CNMI: \$20,278  
(from ~~\$136,873~~ in FY99 to ~~\$157,151~~ in FY00)

+ 91

(111)

348,497  
~~136,873~~

Virgin Islands: \$21,895  
(from ~~\$136,873~~ in FY99 to ~~\$158,768~~ in FY00)

+ 96

(118)

348,497  
~~136,873~~

## TWO AREAS

### \* Developmental Disabilities Councils

Everybody treated as  
a STATE

### \* Protection and Advocacy Programs

PR was always treated  
as a STATE. Under  
the proposal, the other  
4 territories will also  
be treated as STATES.

Barbara Pisano Clark

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DATE:

6/29

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
200 INDEPENDENCE AVE., SW  
WASHINGTON, D.C. 20201

PHONE: (202) 690-6311

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OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION  
HUMAN SERVICES LEGISLATION  
ROOM 413 H HUMPHREY BUILDING

## FROM:

TO : Maryna Martinez☐ MARY M. BOURDETTE

OFFICE : \_\_\_\_\_

☒ BARBARA P. CLARK

ROOM NO : \_\_\_\_\_

☐ LAUREN HIGGINS

PHONE NO : \_\_\_\_\_

☐ AMY LOCKHARTFAX NO : 482-2337☐ SARA COSTIN☐ LULA BARNES☐ ERIK PETERSON☐ TIFFANY JOHNSON

TOTAL PAGES  
INCLUDING COVER) : 3

REMARKS:

DD charts

| Proposed Developmental Disabilities Protection and Advocacy Allotments Based on New Formula |             |             |                    |                               |           |                       |
|---------------------------------------------------------------------------------------------|-------------|-------------|--------------------|-------------------------------|-----------|-----------------------|
| Name of State                                                                               | Base Amount | Subtotal ** | FY 1999 Allotments | Maximum of calculated         |           | New FY2000 Allotments |
|                                                                                             |             |             |                    | 2001 allot. Or 95% of 99 allo | Reduction |                       |
| Alabama                                                                                     | 173,667     | 449,352     | 438,483            | 449,352                       | 14,810    | 434,442               |
| Alaska                                                                                      | 173,667     | 207,086     | 255,838            | 243,048                       | -         | 243,046               |
| Arizona                                                                                     | 173,667     | 450,328     | 381,144            | 450,328                       | 48,788    | 401,562               |
| Arkansas                                                                                    | 173,667     | 342,325     | 284,489            | 342,325                       | 41,408    | 300,917               |
| California                                                                                  | 173,667     | 1,904,770   | 2,240,189          | 2,128,181                     | -         | 2,128,181             |
| Colorado                                                                                    | 173,667     | 381,072     | 281,799            | 381,072                       | 51,550    | 329,522               |
| Connecticut                                                                                 | 173,667     | 316,921     | 264,628            | 316,921                       | 29,797    | 287,124               |
| Delaware                                                                                    | 173,667     | 210,834     | 255,838            | 243,046                       | -         | 243,046               |
| Dist of Col                                                                                 | 173,667     | 196,617     | 255,838            | 243,048                       | -         | 243,046               |
| Florida                                                                                     | 173,667     | 986,737     | 1,089,378          | 1,034,907                     | -         | 1,034,907             |
| Georgia                                                                                     | 173,667     | 605,640     | 610,236            | 605,640                       | 11,785    | 593,855               |
| Hawaii                                                                                      | 173,667     | 237,301     | 255,838            | 243,046                       | -         | 243,046               |
| Idaho                                                                                       | 173,667     | 251,845     | 255,838            | 251,845                       | 4,001     | 247,844               |
| Illinois                                                                                    | 173,667     | 787,295     | 903,291            | 858,126                       | -         | 858,126               |
| Indiana                                                                                     | 173,667     | 518,262     | 505,339            | 518,262                       | 16,457    | 499,805               |
| Iowa                                                                                        | 173,667     | 342,756     | 280,878            | 342,756                       | 43,121    | 299,635               |
| Kansas                                                                                      | 173,667     | 322,427     | 255,838            | 322,427                       | 38,087    | 286,330               |
| Kentucky                                                                                    | 173,667     | 425,850     | 408,515            | 425,850                       | 18,739    | 408,111               |
| Louisiana                                                                                   | 173,667     | 454,402     | 469,286            | 454,402                       | 3,902     | 450,500               |
| Maine                                                                                       | 173,667     | 250,025     | 255,838            | 250,025                       | 3,174     | 246,851               |
| Maryland                                                                                    | 173,667     | 430,495     | 344,395            | 430,495                       | 46,384    | 383,512               |
| Massachusetts                                                                               | 173,667     | 468,510     | 447,129            | 468,510                       | 18,680    | 447,530               |
| Michigan                                                                                    | 173,667     | 705,978     | 821,578            | 780,499                       | -         | 780,499               |
| Minnesota                                                                                   | 173,667     | 418,392     | 336,721            | 418,392                       | 38,609    | 382,783               |
| Mississippi                                                                                 | 173,667     | 367,309     | 312,623            | 367,309                       | 31,976    | 335,333               |
| Missouri                                                                                    | 173,667     | 485,187     | 462,898            | 485,187                       | 20,852    | 464,515               |
| Montana                                                                                     | 173,667     | 231,581     | 255,838            | 243,048                       | -         | 243,046               |
| Nebraska                                                                                    | 173,667     | 269,878     | 255,838            | 269,878                       | 12,201    | 257,675               |
| Nevada                                                                                      | 173,667     | 262,613     | 255,838            | 262,613                       | 8,898     | 253,715               |
| New Hampshire                                                                               | 173,667     | 234,172     | 255,838            | 243,046                       | -         | 243,046               |
| New Jersey                                                                                  | 173,667     | 548,451     | 523,911            | 548,451                       | 22,182    | 524,289               |
| New Mexico                                                                                  | 173,667     | 289,387     | 255,838            | 289,387                       | 21,073    | 268,314               |
| New York                                                                                    | 173,667     | 1,053,636   | 1,397,572          | 1,327,693                     | -         | 1,327,693             |
| North Carolina                                                                              | 173,667     | 612,226     | 644,585            | 612,356                       | -         | 612,356               |
| North Dakota                                                                                | 173,667     | 215,001     | 255,838            | 243,046                       | -         | 243,046               |
| Ohio                                                                                        | 173,667     | 808,597     | 984,879            | 935,445                       | -         | 935,445               |
| Oklahoma                                                                                    | 173,667     | 389,459     | 310,997            | 389,459                       | 42,751    | 346,708               |
| Oregon                                                                                      | 173,667     | 360,221     | 267,250            | 360,221                       | 48,354    | 311,867               |
| Pennsylvania                                                                                | 173,667     | 828,307     | 1,051,020          | 988,469                       | -         | 988,469               |
| Puerto Rico                                                                                 | 173,667     | 880,471     | 830,254            | 788,741                       | -         | 788,741               |
| Rhode Island                                                                                | 173,667     | 227,563     | 255,838            | 243,046                       | -         | 243,046               |
| South Carolina                                                                              | 173,667     | 414,975     | 365,891            | 414,975                       | 30,726    | 384,249               |
| South Dakota                                                                                | 173,667     | 219,744     | 255,838            | 243,048                       | -         | 243,046               |
| Tennessee                                                                                   | 173,667     | 493,056     | 495,888            | 493,056                       | 9,987     | 483,089               |
| Texas                                                                                       | 173,667     | 1,315,585   | 1,547,187          | 1,489,809                     | -         | 1,489,809             |
| Utah                                                                                        | 173,667     | 308,368     | 255,838            | 308,368                       | 28,704    | 278,664               |
| Vermont                                                                                     | 173,667     | 208,281     | 512,137            | 488,530                       | -         | 488,530               |
| Virginia                                                                                    | 173,667     | 536,188     | 255,838            | 536,168                       | 133,302   | 402,866               |
| Washington                                                                                  | 173,667     | 475,541     | 388,505            | 475,541                       | 44,958    | 430,585               |
| West Virginia                                                                               | 173,667     | 298,224     | 445,337            | 423,070                       | -         | 423,070               |
| Wisconsin                                                                                   | 173,667     | 467,939     | 277,119            | 467,939                       | 93,074    | 374,865               |
| Wyoming                                                                                     | 173,667     | 202,563     | 255,838            | 243,046                       | -         | 243,046               |
| Am. Samoa                                                                                   | 173,667     | 186,114     | 139,873            | 186,114                       | 24,208    | 161,906               |
| Guam                                                                                        | 173,667     | 184,382     | 136,873            | 184,382                       | 24,718    | 159,666               |
| No. Mar.                                                                                    | 173,667     | 179,769     | 136,873            | 179,769                       | 22,818    | 157,151               |
| Virgin Islands                                                                              | 173,667     | 182,736     | 136,873            | 182,736                       | 23,868    | 158,788               |
| DNA Leagal                                                                                  | 173,667     | 173,667     | 136,873            | 173,667                       | 19,844    | 153,823               |
| Totals                                                                                      | 9,889,019   | 25,369,410  | 26,186,640         | 27,273,089                    | 1,089,448 | 26,183,640            |
| * Same for States and Territories.                                                          |             |             |                    |                               |           |                       |
| ** Includes Base Amount, 25% and 70%.                                                       |             |             |                    |                               |           |                       |

159,666

| Proposed Developmental Disabilities Council Allotments Based on New Formula |            |            |            |                                                  |           |            |
|-----------------------------------------------------------------------------|------------|------------|------------|--------------------------------------------------|-----------|------------|
|                                                                             |            |            |            |                                                  |           |            |
|                                                                             | Base       |            | FY 1999    | Maximum of                                       | Reduction | New FY2000 |
| Name of State                                                               | Amount     | Subtotal * | Allotments | calculated<br>2000 allot. Or<br>95% of 99 allot. |           | Allotments |
| Alabama                                                                     | 347,159    | 1,115,102  | 1,262,259  | 1,189,148                                        | -         | 1,189,148  |
| Alaska                                                                      | 347,159    | 440,249    | 403,093    | 440,249                                          | 21,757    | 418,492    |
| Arizona                                                                     | 347,159    | 1,117,819  | 852,423    | 1,117,819                                        | 116,838   | 1,000,983  |
| Arkansas                                                                    | 347,159    | 816,989    | 738,837    | 816,989                                          | 44,408    | 772,581    |
| California                                                                  | 347,159    | 5,188,283  | 5,577,048  | 5,288,194                                        | -         | 5,288,193  |
| Colorado                                                                    | 347,159    | 624,901    | 702,518    | 824,901                                          | 87,781    | 827,140    |
| Connecticut                                                                 | 347,159    | 748,205    | 636,591    | 748,205                                          | 63,888    | 682,507    |
| Delaware                                                                    | 347,159    | 450,692    | 403,093    | 450,692                                          | 25,722    | 424,970    |
| Dist of Col                                                                 | 347,159    | 411,088    | 403,093    | 411,088                                          | 10,887    | 400,401    |
| Florida                                                                     | 347,159    | 2,612,029  | 2,738,070  | 2,812,029                                        | 4,124     | 2,807,905  |
| Georgia                                                                     | 347,159    | 1,550,453  | 1,588,851  | 1,550,453                                        | 15,582    | 1,534,871  |
| Hawaii                                                                      | 347,159    | 524,418    | 403,093    | 524,418                                          | 53,711    | 470,707    |
| Idaho                                                                       | 347,159    | 584,932    | 403,093    | 584,932                                          | 68,082    | 486,840    |
| Illinois                                                                    | 347,159    | 2,056,489  | 2,546,854  | 2,418,511                                        | -         | 2,418,511  |
| Indiana                                                                     | 347,159    | 1,301,484  | 1,405,035  | 1,334,783                                        | -         | 1,334,783  |
| Iowa                                                                        | 347,159    | 818,170    | 763,028    | 818,170                                          | 36,418    | 782,752    |
| Kansas                                                                      | 347,159    | 781,541    | 585,895    | 781,541                                          | 77,876    | 683,665    |
| Kentucky                                                                    | 347,159    | 1,049,834  | 1,167,867  | 1,109,474                                        | -         | 1,109,474  |
| Louisiana                                                                   | 347,159    | 1,129,166  | 1,355,910  | 1,288,116                                        | -         | 1,288,115  |
| Maine                                                                       | 347,159    | 559,859    | 403,093    | 559,859                                          | 87,166    | 482,693    |
| Maryland                                                                    | 347,159    | 1,062,579  | 888,141    | 1,062,579                                        | 83,082    | 979,497    |
| Massachusetts                                                               | 347,159    | 1,182,897  | 1,232,510  | 1,170,885                                        | -         | 1,170,885  |
| Michigan                                                                    | 347,159    | 1,829,952  | 2,280,430  | 2,147,409                                        | -         | 2,147,409  |
| Minnesota                                                                   | 347,159    | 1,031,845  | 988,203    | 1,031,845                                        | 43,188    | 988,460    |
| Mississippi                                                                 | 347,159    | 886,582    | 899,332    | 886,582                                          | 12,223    | 874,359    |
| Missouri                                                                    | 347,159    | 1,214,865  | 1,271,439  | 1,214,865                                        | 2,857     | 1,212,208  |
| Montana                                                                     | 347,159    | 508,484    | 403,093    | 508,484                                          | 47,982    | 460,822    |
| Nebraska                                                                    | 347,159    | 615,158    | 408,345    | 615,158                                          | 88,286    | 528,892    |
| Nevada                                                                      | 347,159    | 584,824    | 403,093    | 584,824                                          | 80,478    | 514,446    |
| New Hampshi                                                                 | 347,159    | 515,701    | 403,093    | 515,701                                          | 50,402    | 466,289    |
| New Jersey                                                                  | 347,159    | 1,385,578  | 1,431,888  | 1,385,578                                        | 9,807     | 1,375,972  |
| New Mexico                                                                  | 347,159    | 689,508    | 443,040    | 689,508                                          | 84,385    | 576,121    |
| New York                                                                    | 347,159    | 2,788,383  | 3,978,100  | 3,779,185                                        | -         | 3,779,185  |
| North Carolina                                                              | 347,169    | 1,588,800  | 1,742,318  | 1,855,202                                        | -         | 1,855,202  |
| North Dakota                                                                | 347,189    | 462,298    | 403,093    | 462,298                                          | 30,128    | 432,170    |
| Ohio                                                                        | 347,159    | 2,110,237  | 2,751,482  | 2,613,889                                        | -         | 2,613,889  |
| Oklahoma                                                                    | 347,159    | 848,286    | 875,044    | 848,286                                          | 44,408    | 803,858    |
| Oregon                                                                      | 347,159    | 866,821    | 674,085    | 866,821                                          | 85,968    | 780,855    |
| Pennsylvania                                                                | 347,159    | 2,170,709  | 2,982,934  | 2,833,787                                        | -         | 2,833,787  |
| Puerto Rico                                                                 | 347,189    | 1,758,802  | 2,275,421  | 2,161,650                                        | -         | 2,161,650  |
| Rhode Island                                                                | 347,159    | 487,291    | 403,093    | 487,291                                          | 43,413    | 453,878    |
| South Carolina                                                              | 347,159    | 1,019,341  | 1,015,658  | 1,019,341                                        | 20,877    | 998,684    |
| South Dakota                                                                | 347,159    | 475,509    | 403,093    | 475,509                                          | 35,144    | 440,365    |
| Tennessee                                                                   | 347,159    | 1,236,843  | 1,384,131  | 1,314,824                                        | -         | 1,314,824  |
| Texas                                                                       | 347,159    | 3,528,082  | 4,113,194  | 3,807,534                                        | -         | 3,807,534  |
| Utah                                                                        | 347,159    | 722,378    | 500,182    | 722,378                                          | 83,845    | 628,533    |
| Vermont                                                                     | 347,159    | 443,560    | 403,093    | 443,580                                          | 23,022    | 420,558    |
| Virginia                                                                    | 347,159    | 1,356,988  | 1,317,843  | 1,356,988                                        | 38,840    | 1,317,148  |
| Washington                                                                  | 347,169    | 1,188,055  | 1,022,075  | 1,188,055                                        | 82,414    | 1,105,641  |
| West Virginia                                                               | 347,159    | 694,122    | 728,694    | 694,122                                          | 707       | 693,415    |
| Wisconsin                                                                   | 347,159    | 1,166,878  | 1,231,859  | 1,170,076                                        | -         | 1,170,076  |
| Wyoming                                                                     | 347,159    | 427,705    | 403,093    | 427,705                                          | 18,895    | 410,710    |
| Am. Samoa                                                                   | 347,159    | 381,833    | 211,824    | 381,833                                          | 68,635    | 313,198    |
| Guam                                                                        | 347,159    | 377,006    | 211,624    | 377,006                                          | 68,803    | 310,203    |
| No. Mar.                                                                    | 347,159    | 384,155    | 211,624    | 384,155                                          | 61,824    | 302,231    |
| Virgin Islands                                                              | 347,159    | 372,423    | 211,624    | 372,423                                          | 65,063    | 307,360    |
| Totals                                                                      | 19,440,800 | 62,534,886 | 64,803,000 | 66,785,870                                       | 1,982,889 | 64,803,000 |
| * Includes Base Amount, 25% and 70%                                         |            |            |            |                                                  |           |            |

The Honorable J. Dennis Hastert  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed for the consideration of the Congress is the Administration's draft bill entitled the "Developmental Disabilities Assistance Amendments of 1999". The bill amends programs for individuals with developmental disabilities (DD) under the Developmental Disabilities Assistance and Bill of Rights Act (the Act), and extends authorizations for these programs through FY 2004. Key changes made by the bill are summarized below. The provisions of the bill are detailed in the enclosed section-by-section summary.

The bill provides authorizations of appropriations for FY 2000 of \$64,803,000 for programs of State DD Councils, \$26,718,000 for State Protection and Advocacy systems (P&As); \$17,461,000 for University Affiliated Programs (UAPs); and \$10,250,000 for Projects of National Significance (PNS), with such sums as necessary authorized for FYs 2001-2004.

The bill replaces the current set of Federal priority areas activities (relating to community living, employment, child development, and system coordination and community education) with a set of life goal activities that are closely coordinated with standards and reporting requirements already being put in place to comply with the Government Performance and Results Act (GPRA). These include activities to support and maximize achievement of key life goals of individuals with DD including education, employment, health, housing, community support, and self-determination. These life goal activities were developed in collaboration with consumer and program representatives, and are intended to promote the mission and vision of independence, productivity, and integration and inclusion in the community of individuals with DD.

Amendments throughout the DD Act make an emphasis on the life goal activities central to the objectives and implementation of the programs supported under the Act, in a manner designed to enhance coherence and coordination within and among these programs and with the GPRA requirements. Among other amendments, the annual reporting requirements for State DD Councils and P&As are restated with reference to life goal activities, in such a manner that a single report can be tailored to meet the requirements of both the DD Act and GPRA. Further, the information in those reports on life goal activity outcomes (information that States have already begun to report) can be used to compare State performance for purposes of determining eligibility for the incentive funding under the revised allotment formulas proposed in the bill for State DD Councils and P&As.

The bill substantially revises the formula for allotting appropriations among State DD Councils and P&As. Current law provides that the formula must take into account "the extent of need for services for persons with DD". This requirement has proved impossible to implement in a manner consistent with the legislative intent, because the only data available on numbers and location of persons with DD are incomplete and ill-suited to the DD Act's purposes. The best available data (on numbers of children receiving supplemental security income (SSI)) are problematic when used for distribution of DD funding for a number of reasons: the data are unavailable for the territories; changes in the SSI eligibility standards or definition of disability can affect DD Act funding distribution in unpredictable ways; and use of means-tested SSI numbers effectively disregards persons above SSI eligibility levels (and may even penalize States that have been most effective in placing individuals with DD in employment). These weaknesses result in unpredictable fluctuations in State funding under the DD Act and in arbitrary and inequitable differences in funding levels among States.

The revised allotment formula, applicable to both State DD Council and P&A funding, omits numbers of individuals with DD as a factor. It further simplifies application of the formula by replacing the minimum allotment guarantee for small States with an equivalent base allotment for all States. It includes a limited hold-harmless, under which each State is guaranteed, for each of FYs 2000 to 2002, an allotment not less than 95 percent of its allotment for the preceding fiscal year. Finally, for FY 2003 and succeeding fiscal years, it reserves the final 5 percent of amounts available for incentive allotments to States that have achieved or exceeded benchmarks established by the Secretary in regulations with respect to outcomes related to life goal activities under their plans.

The bill also amends part D of the Act (UAPs) in its entirety. UAPS have moved beyond the need for expansion as there are now 61 UAPs, with at least one in every State. Therefore this bill amends the UAP authority to provide for a single grant to each UAP, combining what are currently separate amounts for the basic grant and for training initiative projects. Other amendments incorporate the life goal activities, in order to foster collaborative efforts with other DD Act programs and responsiveness to GPRA requirements. Finally, these amendments reorganize and streamline the part, in an effort to make program organization, purposes, and requirements more easily understandable, and eliminate redundant and obsolete provisions.

Finally, the bill amends part E of the Act (PNS) to provide authority for the Secretary to enter into interagency agreements with other Federal agencies to carry out PNS activities or to jointly carry out activities of common interest related to the purposes of part E. For such purposes the Secretary is authorized to transfer funds appropriated under this part to such other agencies, and to receive and use funds from such agencies. This authority, modeled on current authority of the Department of Education (DoED), will substantially enhance HHS's ability to collaborate with other Federal agencies, including DoED, on joint initiatives meeting the statutory objectives and requirements of both agencies that address the needs of individuals with DD and their families.

The Honorable J. Dennis Hastert—Page 3

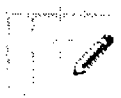
We urge the Congress to give the draft bill its prompt and favorable consideration. The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress and that its enactment would be in accord with the Administration's program.

Sincerely,

Donna E. Shalala

Enclosures

05/25/99 02:41:31 PM



Jeffrey L. Farrow  
05/25/99 02:41:31 PM

Record Type: Record

To: Fred DuVal/WHO/EOP@EOP, Janet Murguia/WHO/EOP@EOP

cc:

Subject: TerritoriesDisabled Kids Aid

Heads Up: I may raise an issue of the treatment of disabled children in the small territories in a draft HHS bill to overhaul the law on aid for developmental disabilities for the next five years.

HHS officials at an OMB called meeting couldn't answer too many of my questions, so I'm not making a recommendation yet. (The OMB and DPC staffers seemed to think my "what's the justification" questions were good and I may get this taken care of without requesting support.)

Finally, I want you to know I'm not proposing changing the treatment of the territories in all areas of unequal treatment, but I think bills (1) in which we are proposing comprehensive overhauls and (2) dealing with life's most needy individuals should be considered.

**OFFICE OF MANAGEMENT AND BUDGET**  
**Legislative Reference Division**  
**Labor-Welfare-Personnel Branch**

Telecopier Transmittal Sheet



**SPECIAL**

**FROM:** Melinda Haskins

**395-3923**

**DATE:** 6/18/99

**TIME:** 11:10 a.m.

**Pages sent (including transmittal sheet):** 4

**COMMENTS:**

HH's' distributional analysis of changes  
to DD Act proposed in its DD reauthorization  
draft bill. Let's discuss.

**TO:** Jeff Farrow  
Genie Chough  
Alex Keenan

**PLEASE CALL THE PERSON(S) NAMED ABOVE FOR IMMEDIATE PICK-UP.**



# FAX COVER SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
200 INDEPENDENCE AVE., SW  
WASHINGTON, D.C. 20201

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION,  
HUMAN SERVICES

PHONE: (202) 690-6311

FAX: (202) 690-8425

**DATE:** 6/18/99

**TO:** Melinda Haskins

**FAX:** 395-6148

**FROM:** Barbara Pisaro Clark

**RE:** Charts for Developmental Disabilities reauthorization proposal showing formula changes effect on states' funding levels

**PAGES (including cover):** 3

Please call to discuss.

| Proposed Developmental Disabilities Council Allotments Based on New Formula |             |            |                   |                                        |           |                      |
|-----------------------------------------------------------------------------|-------------|------------|-------------------|----------------------------------------|-----------|----------------------|
| Name of State                                                               | Base Amount | Subtotal * | FY 1999 Allotment | Maximum of 2000 est. or 87% of 99 est. | Reduction | New FY2000 Allotment |
| Alabama                                                                     | 347,189     | 1,115,102  | 1,292,299         | 1,189,148                              | -         | 1,189,148            |
| Alaska                                                                      | 347,189     | 440,249    | 409,093           | 440,249                                | 21,797    | 418,452              |
| Arizona                                                                     | 347,189     | 1,117,819  | 892,423           | 1,117,819                              | 115,899   | 1,001,920            |
| Arkansas                                                                    | 347,189     | 618,889    | 739,897           | 618,889                                | 44,499    | 772,381              |
| California                                                                  | 347,189     | 5,169,283  | 5,577,048         | 5,296,184                              | -         | 5,296,183            |
| Colorado                                                                    | 347,189     | 924,801    | 709,518           | 924,801                                | 87,791    | 827,140              |
| Connecticut                                                                 | 347,189     | 749,205    | 696,891           | 749,205                                | 89,899    | 692,807              |
| Delaware                                                                    | 347,189     | 480,882    | 409,093           | 480,882                                | 26,722    | 424,870              |
| Dist. of Col.                                                               | 347,189     | 411,088    | 409,093           | 411,088                                | 10,897    | 400,401              |
| Florida                                                                     | 347,189     | 2,618,069  | 2,739,870         | 2,612,029                              | 4,124     | 2,607,905            |
| Georgia                                                                     | 347,189     | 1,890,493  | 1,896,891         | 1,890,493                              | 15,892    | 1,894,871            |
| Hawaii                                                                      | 347,189     | 824,418    | 409,093           | 824,418                                | 69,711    | 479,797              |
| Idaho                                                                       | 347,189     | 594,892    | 409,093           | 594,892                                | 69,092    | 495,840              |
| Illinois                                                                    | 347,189     | 2,099,499  | 2,549,894         | 2,419,811                              | -         | 2,419,811            |
| Indiana                                                                     | 347,189     | 1,301,484  | 1,209,893         | 1,354,799                              | -         | 1,354,799            |
| Iowa                                                                        | 347,189     | 818,170    | 793,028           | 818,170                                | 39,419    | 792,752              |
| Kansas                                                                      | 347,189     | 781,841    | 599,899           | 781,841                                | 77,879    | 683,899              |
| Kentucky                                                                    | 347,189     | 1,049,834  | 1,187,897         | 1,189,474                              | -         | 1,189,474            |
| Louisiana                                                                   | 347,189     | 1,129,189  | 1,393,819         | 1,289,115                              | -         | 1,289,115            |
| Maine                                                                       | 347,189     | 899,899    | 409,093           | 899,899                                | 87,189    | 482,892              |
| Maryland                                                                    | 347,189     | 1,092,879  | 899,141           | 1,092,879                              | 99,092    | 979,487              |
| Massachusetts                                                               | 347,189     | 1,189,897  | 1,292,819         | 1,179,899                              | -         | 1,179,899            |
| Michigan                                                                    | 347,189     | 1,829,892  | 2,280,400         | 2,147,409                              | -         | 2,147,409            |
| Minnesota                                                                   | 347,189     | 1,031,849  | 899,209           | 1,031,849                              | 49,189    | 999,499              |
| Mississippi                                                                 | 347,189     | 899,892    | 899,392           | 899,892                                | 12,229    | 874,399              |
| Missouri                                                                    | 347,189     | 1,214,899  | 1,271,499         | 1,214,899                              | 2,897     | 1,212,000            |
| Montana                                                                     | 347,189     | 909,494    | 409,093           | 909,494                                | 47,892    | 499,892              |
| Nebraska                                                                    | 347,189     | 618,189    | 409,349           | 613,189                                | 24,289    | 624,892              |
| Nevada                                                                      | 347,189     | 894,894    | 409,093           | 894,894                                | 20,479    | 914,449              |
| New Hampshire                                                               | 347,189     | 618,701    | 409,093           | 618,701                                | 20,402    | 499,298              |
| New Jersey                                                                  | 347,189     | 1,395,879  | 1,431,899         | 1,395,879                              | 8,897     | 1,973,972            |
| New Mexico                                                                  | 347,189     | 899,899    | 449,040           | 899,899                                | 24,299    | 575,121              |
| New York                                                                    | 347,189     | 2,799,899  | 3,879,100         | 3,779,189                              | -         | 3,779,189            |
| North Carolina                                                              | 347,189     | 1,999,899  | 1,742,219         | 1,999,202                              | -         | 1,999,202            |
| North Dakota                                                                | 347,189     | 482,299    | 409,093           | 482,299                                | 20,129    | 432,179              |
| Ohio                                                                        | 347,189     | 2,110,237  | 2,791,492         | 2,613,899                              | -         | 2,613,899            |
| Oklahoma                                                                    | 347,189     | 849,299    | 879,844           | 849,299                                | 44,409    | 929,899              |
| Oregon                                                                      | 347,189     | 899,821    | 874,095           | 899,821                                | 89,899    | 789,899              |
| Pennsylvania                                                                | 347,189     | 2,179,799  | 2,899,894         | 2,839,797                              | -         | 2,839,797            |
| Puerto Rico                                                                 | 347,189     | 1,799,892  | 2,279,421         | 2,181,890                              | -         | 2,181,890            |
| Rhode Island                                                                | 347,189     | 487,291    | 409,093           | 487,291                                | 49,419    | 499,879              |
| South Carolina                                                              | 347,189     | 1,019,241  | 1,019,899         | 1,019,241                              | 20,877    | 999,894              |
| South Dakota                                                                | 347,189     | 479,899    | 409,093           | 479,899                                | 39,144    | 440,299              |
| Tennessee                                                                   | 347,189     | 1,299,849  | 1,384,131         | 1,314,894                              | -         | 1,314,894            |
| Texas                                                                       | 347,189     | 3,829,092  | 4,113,184         | 3,897,894                              | -         | 3,897,894            |
| Utah                                                                        | 347,189     | 722,379    | 600,182           | 722,379                                | 49,349    | 624,833              |
| Vermont                                                                     | 347,189     | 449,890    | 409,093           | 443,890                                | 23,022    | 420,899              |
| Virginia                                                                    | 347,189     | 1,994,899  | 1,917,849         | 1,999,899                              | 39,899    | 1,317,149            |
| Washington                                                                  | 347,189     | 1,189,099  | 1,022,875         | 1,189,099                              | 62,814    | 1,109,841            |
| West Virginia                                                               | 347,189     | 894,122    | 729,894           | 894,122                                | 707       | 899,419              |
| Wisconsin                                                                   | 347,189     | 1,189,879  | 1,231,899         | 1,179,079                              | -         | 1,179,079            |
| Wyoming                                                                     | 347,189     | 487,799    | 409,093           | 427,799                                | 19,899    | 419,710              |
| Am. Samoa                                                                   | 347,189     | 381,899    | 211,824           | 381,899                                | 89,899    | 313,189              |
| Guam                                                                        | 347,189     | 877,899    | 211,824           | 377,899                                | 89,899    | 319,899              |
| No. Mar.                                                                    | 347,189     | 384,189    | 211,824           | 384,189                                | 61,894    | 322,231              |
| Virgin Islands                                                              | 347,189     | 372,429    | 211,824           | 372,429                                | 89,899    | 387,989              |
| Totals                                                                      | 99,440,800  | 62,834,899 | 64,809,000        | 68,789,870                             | 1,999,899 | 64,809,000           |

\* Including Base Amount, 87% and 70%

| Proposed Developmental Disabilities Protection and Advocacy Allotments Based on New Formula |                  |                   |                    |                             |                  |                       |
|---------------------------------------------------------------------------------------------|------------------|-------------------|--------------------|-----------------------------|------------------|-----------------------|
| Name of State                                                                               | Base Amount      | Subtotal **       | PY 1999 Allotments | Maximum of                  | Reduction        | New FY2000 Allotments |
|                                                                                             |                  |                   |                    | 2001 est. Or 95% of 99 est. |                  |                       |
| Alabama                                                                                     | 173,887          | 449,352           | 438,488            | 449,352                     | 14,810           | 434,442               |
| Alaska                                                                                      | 173,887          | 207,888           | 205,838            | 243,048                     | -                | 243,048               |
| Arizona                                                                                     | 173,887          | 450,328           | 381,144            | 450,328                     | 48,788           | 401,362               |
| Arkansas                                                                                    | 173,887          | 342,323           | 284,488            | 342,323                     | 41,488           | 308,817               |
| California                                                                                  | 173,887          | 1,854,770         | 2,248,188          | 2,188,181                   | -                | 2,128,181             |
| Colorado                                                                                    | 173,887          | 381,072           | 281,788            | 381,072                     | 51,860           | 329,222               |
| Connecticut                                                                                 | 173,887          | 218,821           | 284,838            | 318,921                     | 28,787           | 287,124               |
| Delaware                                                                                    | 173,887          | 210,884           | 288,888            | 243,048                     | -                | 243,048               |
| Dist. of Col.                                                                               | 173,887          | 188,817           | 288,888            | 243,048                     | -                | 243,048               |
| Florida                                                                                     | 173,887          | 988,787           | 1,088,378          | 1,034,887                   | -                | 1,034,887             |
| Georgia                                                                                     | 173,887          | 808,840           | 810,288            | 808,840                     | 11,788           | 796,855               |
| Hawaii                                                                                      | 173,887          | 287,381           | 288,888            | 243,048                     | -                | 243,048               |
| Idaho                                                                                       | 173,887          | 251,845           | 288,888            | 281,845                     | 4,881            | 247,844               |
| Illinois                                                                                    | 173,887          | 787,288           | 808,381            | 888,128                     | -                | 888,128               |
| Indiana                                                                                     | 173,887          | 518,888           | 808,388            | 818,288                     | 18,487           | 789,888               |
| Iowa                                                                                        | 173,887          | 342,788           | 288,878            | 342,738                     | 43,121           | 288,838               |
| Kansas                                                                                      | 173,887          | 322,427           | 288,888            | 322,427                     | 38,887           | 248,330               |
| Kentucky                                                                                    | 173,887          | 428,888           | 408,818            | 428,888                     | 18,738           | 408,111               |
| Louisiana                                                                                   | 173,887          | 484,488           | 488,288            | 484,488                     | 3,882            | 480,888               |
| Maine                                                                                       | 173,887          | 288,888           | 288,888            | 288,888                     | 3,174            | 285,888               |
| Maryland                                                                                    | 173,887          | 438,888           | 344,388            | 438,888                     | 48,884           | 388,512               |
| Massachusetts                                                                               | 173,887          | 488,810           | 447,128            | 488,810                     | 18,880           | 447,830               |
| Michigan                                                                                    | 173,887          | 788,878           | 821,878            | 788,888                     | -                | 788,888               |
| Minnesota                                                                                   | 173,887          | 418,888           | 358,721            | 418,888                     | 38,888           | 380,788               |
| Mississippi                                                                                 | 173,887          | 387,388           | 312,888            | 387,388                     | 31,878           | 355,388               |
| Missouri                                                                                    | 173,887          | 488,187           | 488,888            | 488,187                     | 20,888           | 467,188               |
| Montana                                                                                     | 173,887          | 231,881           | 288,888            | 243,048                     | -                | 243,048               |
| Nebraska                                                                                    | 173,887          | 288,878           | 288,888            | 288,878                     | 12,201           | 257,878               |
| Nevada                                                                                      | 173,887          | 282,813           | 288,888            | 282,813                     | 8,888            | 288,718               |
| New Hampshire                                                                               | 173,887          | 234,172           | 288,888            | 243,048                     | -                | 243,048               |
| New Jersey                                                                                  | 173,887          | 848,881           | 888,811            | 848,881                     | 22,188           | 826,888               |
| New Mexico                                                                                  | 173,887          | 288,387           | 288,888            | 288,387                     | 21,078           | 267,318               |
| New York                                                                                    | 173,887          | 1,088,888         | 1,387,872          | 1,327,888                   | -                | 1,327,888             |
| North Carolina                                                                              | 173,887          | 812,228           | 844,888            | 812,228                     | -                | 812,228               |
| North Dakota                                                                                | 173,887          | 218,001           | 288,888            | 243,048                     | -                | 243,048               |
| Ohio                                                                                        | 173,887          | 888,387           | 888,878            | 888,448                     | -                | 888,448               |
| Oklahoma                                                                                    | 173,887          | 388,488           | 310,887            | 388,488                     | 43,781           | 344,708               |
| Oregon                                                                                      | 173,887          | 388,221           | 287,288            | 388,221                     | 48,384           | 311,887               |
| Pennsylvania                                                                                | 173,887          | 828,307           | 1,081,088          | 888,488                     | -                | 888,488               |
| Puerto Rico                                                                                 | 173,887          | 888,471           | 830,284            | 788,741                     | -                | 788,741               |
| Rhode Island                                                                                | 173,887          | 227,888           | 288,888            | 243,048                     | -                | 243,048               |
| South Carolina                                                                              | 173,887          | 814,878           | 388,881            | 814,878                     | 80,728           | 384,248               |
| South Dakota                                                                                | 173,887          | 218,744           | 288,888            | 243,048                     | -                | 243,048               |
| Tennessee                                                                                   | 173,887          | 488,888           | 488,888            | 488,888                     | 8,887            | 488,888               |
| Texas                                                                                       | 173,887          | 1,918,888         | 1,847,187          | 1,488,888                   | -                | 1,488,888             |
| Utah                                                                                        | 173,887          | 388,388           | 288,888            | 388,388                     | 38,784           | 349,604               |
| Vermont                                                                                     | 173,887          | 288,281           | 812,187            | 488,888                     | -                | 488,888               |
| Virginia                                                                                    | 173,887          | 888,188           | 288,888            | 888,188                     | 138,388          | 488,888               |
| Washington                                                                                  | 173,887          | 478,841           | 388,888            | 478,841                     | 84,888           | 438,888               |
| West Virginia                                                                               | 173,887          | 288,224           | 448,387            | 423,070                     | -                | 423,070               |
| Wisconsin                                                                                   | 173,887          | 487,888           | 277,118            | 487,888                     | 83,874           | 374,888               |
| Wyoming                                                                                     | 173,887          | 288,888           | 288,888            | 243,048                     | -                | 243,048               |
| Am. Samoa                                                                                   | 173,887          | 188,114           | 138,873            | 188,114                     | 24,288           | 163,826               |
| Guam                                                                                        | 173,887          | 184,382           | 138,873            | 184,382                     | 24,718           | 159,664               |
| N. Mar.                                                                                     | 173,887          | 178,788           | 138,873            | 178,788                     | 22,818           | 155,970               |
| Virgin Islands                                                                              | 173,887          | 188,738           | 138,873            | 188,738                     | 23,888           | 164,850               |
| DNA (Legal)                                                                                 | 173,887          | 173,887           | 138,873            | 173,887                     | 18,844           | 155,043               |
| <b>Totals</b>                                                                               | <b>8,888,018</b> | <b>25,388,410</b> | <b>26,188,840</b>  | <b>27,273,888</b>           | <b>1,888,448</b> | <b>26,185,840</b>     |
| * Same for States and Territories.                                                          |                  |                   |                    |                             |                  |                       |
| ** Includes Base Amount, 25% and 70%.                                                       |                  |                   |                    |                             |                  |                       |

**“DEVELOPMENTAL DISABILITIES ASSISTANCE AMENDMENTS OF 1999”**

**Section-by-Section Summary**

**TITLE I—AMENDMENTS TO PART A—GENERAL PROVISIONS**

**SEC. 101. PURPOSE.**

This section amends section 101(b)(4) of the Developmental Disabilities Assistance and Bill of Rights Act (“the Act”), concerning support for national initiatives, to add as a purpose support for statewide systems of family support.

**SEC. 102. DEFINITIONS.**

This section makes various amendments to section 102 of the Act (Definitions). The key changes, which relate to changes throughout the bill, replace the current set of Federal priority areas (community living activities, employment activities, child development activities, and system coordination and community education activities) with a set of life goal activities that are closely coordinated with standards and reporting requirements already being put in place to comply with the Government Performance and Results Act (GPRA). Life goal activities are as follows:

- Community support activities to assist individuals with developmental disabilities (DD) to obtain the services and supports needed to become valued participating members of their community.
- Education activities to assist students to reach their educational potential, with appropriate support and modifications to the curriculum when necessary, and to be included in all aspects of student life.
- Employment activities to assist individuals to obtain and retain employment, at a living wage, consistent with their interests, abilities, and needs.
- Health activities to assist people with DD to develop and maintain healthy lifestyles, and to have access to and benefit from the full range of health-related activities and health services.
- Housing activities to assist individuals with DD to obtain the assistance and supports, including home ownership and rental assistance, needed to live in their family homes or other homes of their choice and with individuals of their choice.

- Self-determination activities enabling individuals with DD to have (A) control over and choice about the services, supports, and other assistance they receive; (B) control over resources to obtain needed services and supports; (C) a primary role in the development, and a voice in shaping the implementation, of public policies that affect them; and (D) the ability to advocate for themselves and others and to develop leadership skills.

This section also adds the following definitions:

- “Capacity building” means activities that enhance the ability of organizations, systems, and communities to serve, support, assist, and include people with DD and their families.
- “Systemic change” means activities that result in laws, regulations, policies, practices or organizational structures that are consumer and family-responsive and -directed and that provide flexible services, supports, and other assistance enabling individuals with DD to be independent, productive, integrated, and included in the community.

Current definitions are amended as follows:

- “Inclusion” means the acceptance and encouragement of the presence and participation of individuals with DD by people without disabilities in social, educational, work, and community activities, enabling such individuals (A) to have friendships and relationships with individuals and families of their own; (B) to live in homes close to community resources, with regular contact with individuals without disabilities in their communities; and (C) to enjoy full and active participation in the same community activities and types of employment as individuals without disabilities.
- “Integration” means the equal right of individuals with DD to use the same community resources as are used by and available to other individuals.
- “State” is amended to delete reference to Palau, which is now under a compact of free association with the United States and no longer participates in Federally assisted programs as a territory.

## **SEC. 103. REPORTS.**

This section amends section 107 of the Act as follows:

- The requirements for annual reports to the Secretary by State DD Councils and PASs Protection and Advocacy Systems (PASs) are amended to require reporting of activities and outcomes relating to life goal activities rather than Federal and State priority areas; and
- The requirement for the Secretary’s report to the Congress is made biennial rather than annual.

This section also amends section 114 of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (PAMI) to eliminate the requirement that the annual report under that Act be included in the Secretary's report under the DD Act, thus permitting the two reports to be handled separately and on different timetables.

#### **SEC. 104. REGULATIONS.**

This Section amends section 108 of the Act to require final regulations implementing changes to the Act to be promulgated one year (rather than 180 days) after enactment.

### **TITLE II—AMENDMENTS TO PART B— FEDERAL ASSISTANCE TO STATE DD COUNCILS**

#### **SEC. 201. STATE PLAN.**

This section amends section 122 of the Act (1) to provide for a 5-year (rather than 3-year) planning cycle; (2) to replace references to priority areas with references to life goal activities; and (3) to delete obsolete provisions, including (A) a reference to the completed 1990 report under section 124(e), and (B) a requirement to provide to the State DD Council a report on intermediate care facilities for the mentally retarded (ICFs-MR) that is no longer required under Medicaid.

#### **SEC. 202. STATE DD COUNCILS.**

This section amends section 124 of the Act (1) the replace references to priority areas with references to life goal activities; and (2) to delete the completed “1990 Report” requirement for a comprehensive review, analysis, and report on the scope and effectiveness of State agency services for individuals with DD.

#### **SEC. 203. STATE ALLOTMENTS.**

This section amends the allotment formula under section 125(a) of the Act to provide for allotment of appropriations under section 130 for each fiscal year as follows:

- (1) **BASE AMOUNT:** Each State would be allotted three-tenths of percent of the total amount available.
- (2) **POPULATION-BASED ALLOTMENTS:** 95 percent of the remainder would be allotted as follows, based on population and income data from the Census Bureau of the Commerce Department:
  - (A) **UNADJUSTED ALLOTMENT:** 25 percent would be allotted to States in proportion to their shares of the population of all States with approved plans.

- (B) PER CAPITA INCOME (PCI)-ADJUSTED ALLOTMENT: 70 percent would be allotted to States in amounts bearing the same ratio to the sum available as the State PCI-adjusted population bore to the sum of PCI-adjusted populations of all States. As under current regulations, State PCI-adjusted population would be determined by dividing total PCI of all participating States by the State PCI and multiplying by State population.
- (3) OUTCOME-BASED SHARE: For FY 2003 and succeeding years, the final 5 percent of available appropriations would be allotted among qualifying States in PCI-adjusted shares. To qualify, a State's outcomes for the preceding fiscal year with respect to life goals under its plan, as reflected in the State DD Council's annual report to the Secretary, would have to equal or exceed benchmarks to be established by the Secretary in regulations with respect to education, employment, and any additional life goals the Secretary specified.
- (4) LIMITED HOLD-HARMLESS: Notwithstanding the above, a State's total allotment for any of FYs 2000 through 2002 could not be less than 95 percent of its allotment for the preceding fiscal year. Funds necessary to carry out the hold-harmless would be derived (A) from the remaining 5 percent of amounts available from appropriations after carrying out paragraphs (1) and (2) above, and (B) to the extent necessary, by pro rata reductions of allotments under paragraph (2) to States not requiring hold-harmless allotments.

#### **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

This section amends section 130 of the Act to authorize appropriations of \$64,803,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004.

#### **SEC. 205. TECHNICAL AND CONFORMING AMENDMENTS TO PART B.**

This section makes various technical and conforming amendments to part B of the Act.

### **TITLE III—AMENDMENTS TO PART C—PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS**

#### **SEC. 301. PROTECTION AND ADVOCACY SYSTEM (PAS).**

Subsection (a) amends section 142(a) of the Act (1) to require that the PAS annual statement of objectives and priorities take life goal activities into consideration; (2) to delete the provision requiring use of the discontinued Medicaid ICFs-MR report; and (3) to relocate from section 142(c) the provision concerning use of up to 5 percent of allotments for monitoring costs. Subsection (b) amends section 142(c) (the allotment formula for PAS systems) to provide for allotments according to the formula specified for State DD Councils in section 130 (including the limited hold-harmless for FYs 2000-2002), except that (1) the base amount shall be sixty-five hundredths of one percent; and (2) the benchmarks used to determine eligibility for the 5 percent

incentive funding for FY 2003 and succeeding years will be benchmarks specific to PAS activities relative to life goals established by the Secretary in regulations.

## **SEC. 302. AUTHORIZATION OF APPROPRIATIONS; RESERVATION AND USE OF FUNDS BY SECRETARY.**

This section amends section 143 of the Act to authorize appropriations of \$26,718,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004. This section also provides that the Secretary, before making allotments to State PAS systems under section 142(c), shall set aside (1) not more than 2 percent for each fiscal year, which the Secretary shall use (in addition to amounts available from appropriations for salaries and expenses) to provide (directly or through grants or contracts) technical assistance and training to State PAS systems; and (2) an amount for grants to American Indian Consortiums for protection and advocacy services.

## **TITLE IV—AMENDMENTS TO PART D— UNIVERSITY AFFILIATED PROGRAMS**

### **SEC. 401. REVISION OF PART D.**

This section amends part D of the Act in its entirety. The key changes provide for a single university affiliated program (UAP) grant, combining the basic and training projects grants; (2) reorganize, streamline, and simplify the part, organizing the part in a more logical order and eliminating redundant provisions; (3) provide for a focus on life goal activities. As amended, part D would have the following provisions:

#### **SEC. 151. PURPOSE AND SCOPE OF ACTIVITIES.**

Subsection (a) states the broad purposes of this part. These are essentially unchanged from current law.

Subsection (b) specifies the program activities to be carried out by UAP grantees, with a primary focus on the life goal activities, including (1) preparation and training (including training initiative projects (TIPs) in emerging areas of national significance); (2) community service activities; (3) information dissemination; and (4) research.

Subsection (c) provides that grant funds may be used for costs of activities under this part, including costs of courses of training or study, and costs of fellowships or traineeships.

Subsection (d) provides that TIPs that may be funded under this part include the following TIPs specified in current law, with respect to: (1) early intervention with infants, toddlers, and preschool age children with DD; (2) interdisciplinary programs addressing needs of aging individuals with DD; (3) community-level direct support services; (4) training family members concerning positive behavioral supports; (5)

assistive technology services; (6) provisions of the Americans with Disabilities Act of 1990; and (7) transition of youth with DD from school to adult life.

#### **SEC. 152. GRANT AUTHORITY; PRIORITY FOR GRANT AWARDS; FEDERAL SHARE.**

This section provides that, from appropriations under section 154, the Secretary shall first award to each approved and previously funded applicant \$290,000 (or an equal share of the amount available, if appropriations are insufficient). From any amount remaining, the Secretary may award, on a competitive basis (1) additional grants to these UAPs, or (2) grants to additional UAPs, giving particular attention to the need for UAPs to address the needs of low-income individuals and members of unserved and underserved population groups.

This section also retains from current law provisions (1) limiting grant awards to 5-year periods; and (2) providing for 75 percent Federal matching of UAP expenditures (or 90 percent, in the case of a project or activity whose primary purpose is to serve individuals with DD who live in an urban or rural poverty area.)

#### **SEC. 153. ELIGIBILITY CRITERIA.**

This section retains but reorganizes the key provisions of current law. One key change is the elimination of the areas of focus for training projects, which have been replaced altogether by requirements focusing on life goals.

Subsection (a) requires the Secretary to establish standards (including performance standards) by regulation, and specifies criteria for the design of training projects drawn from current law.

Subsection (b) specifies application requirements; all are drawn from current law.

Subsections (c), (d), and (e) restate current law requirements (1) that a UAP have established a consumer advisory committee (with an added requirement that not less than 50 percent of committee members be individuals with DD or members of their families); (2) for peer review of applications; and (3) for review of applications by other Federal agencies that fund the applicant's programs.

#### **SEC. 154. AUTHORIZATION OF APPROPRIATIONS.**

This section authorizes appropriations of \$17,461,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004, for the purpose of making grants to UAPs under section 152. This section retains the provision of current law limiting funding for peer review activities to \$300,000 adjusted by a percentage equal to the change in the Consumer Price Index since 1994.

**TITLE V—AMENDMENTS TO PART E—  
PROJECTS OF NATIONAL SIGNIFICANCE**

**SEC. 501. PURPOSE.**

This section amends section 161 of the Act to add family support activities as a purpose of part E (projects of national significance).

**SEC. 502. GRANT AUTHORITY.**

Subsection (a) amends section 162(a) of the Act to add, as a specified purpose for projects of national significance, activities to address the support needs of families of children with disabilities through systemic change activities, technical assistance, research and evaluation, and other initiatives designed to assist in the development and implementation, or expansion and enhancement, of services that are family-centered and family-directed, culturally competent, community-centered, and comprehensive.

Subsection (b) amends section 162(a)(2) to clarify that the nationally significant initiatives funded under that provision include demonstrations (not research); to replace the term "supportive living" with "community living"; and to eliminate language limiting the meaning of quality of life opportunities.

Subsection (c) repeals section 162(b), the completed requirement for a special study to investigate the expansion of activities under part B to address the needs of individuals with severe disabilities other than DD.

Subsection (d) adds a new section 162(b), providing authority for the Secretary to enter into interagency agreements with other Federal agencies to carry out activities under subsection (a) or to jointly carry out activities of common interest related to the purposes of subsection (a). For such purposes the Secretary is authorized to transfer funds appropriated under this part to such other agencies, and to receive and use funds from such agencies.

**SEC. 503. AUTHORIZATION OF APPROPRIATIONS; USE OF FUNDS.**

This section amends section 163 of the Act to authorize appropriations of \$10,250,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004, to be used to make grants under section 162 and for the costs (other than compensation of Federal employees) of the Administration on DD for administering parts B, C, D, and E, including monitoring grantee performance and providing technical assistance to grantees. Section 163 as amended retains the provisions of current law (1) requiring that not less than \$300,000 must be used for technical assistance to State DD Councils, P&A systems, and UAPs; and (2) providing that technical assistance for P&A Systems may not be provided with funds under both this section and section 143.

## **TITLE VI—EFFECTIVE DATE**

### **SEC. 601. EFFECTIVE DATE.**

This section provides that, except as otherwise specifically provided, the amendments made by the bill shall be effective with respect to programs and activities under the Act on and after October 1, 1999.

## A B I L L

To amend the Developmental Disabilities Assistance and Bill of Rights Act to extend authorizations of appropriations through FY 2004, to amend the formulas for allotments of funds to States and Protection and Advocacy Systems, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the “Developmental Disabilities Assistance Amendments of 1999”.

### **SEC. 2. REFERENCES; TABLE OF CONTENTS.**

(a) REFERENCES IN ACT.—References in this Act to a statute or provision thereof, except as otherwise specifically provided, are references to the Developmental Disabilities Assistance and Bill of Rights Act.

(b) TABLE OF CONTENTS.—

Sec. 2. References; table of contents.

#### **TITLE I—AMENDMENTS TO PART A—GENERAL PROVISIONS**

Sec. 101. Purpose.  
Sec. 102. Definitions.  
Sec. 103. Reports.  
Sec. 104. Regulations.

#### **TITLE II—AMENDMENTS TO PART B—FEDERAL ASSISTANCE TO STATE DEVELOPMENTAL DISABILITIES COUNCILS**

Sec. 201. State plan.  
Sec. 202. State Developmental Disabilities Councils.  
Sec. 203. State allotments.  
Sec. 204. Authorization of appropriations.  
Sec. 205. Technical and conforming amendments to part B.

#### **TITLE III—AMENDMENTS TO PART C—PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS**

Sec. 301. Protection and advocacy system (PAS).  
Sec. 302. Authorization of appropriations; reservation and use of funds by Secretary.

**TITLE IV—AMENDMENTS TO PART D—  
UNIVERSITY AFFILIATED PROGRAMS**

Sec. 401. Revision of part D.

**TITLE V—AMENDMENTS TO PART E—  
PROJECTS OF NATIONAL SIGNIFICANCE**

Sec. 501. Purpose.

Sec. 502. Grant authority.

Sec. 503. Authorization of appropriations; use of funds.

**TITLE VI—EFFECTIVE DATE**

Sec. 601. Effective date.

**TITLE I—AMENDMENTS TO PART A—GENERAL PROVISIONS**

**SEC. 101. PURPOSE.**

Section 101(b)(4) (42 U.S.C. 6000(b)(4)) is amended by inserting “support statewide systems of family support,” after “university affiliated programs,”.

**SEC. 102. DEFINITIONS.**

Section 102 (42 U.S.C. 6001) is amended—

(1) by striking paragraphs (4) (child development activities), (5) (community living activities), (6) (community supports), (12) (Federal priority areas), (15) (integration and inclusion), (27) (State priority area), and (29) (system coordination and community education activities);

(2) by redesignating paragraphs as follows:

(A) paragraphs (7) through (9) as paragraph (6) through (8);

(B) paragraphs (13) and (14) as paragraph (15) and (16);

(C) paragraphs (16) and (17) as paragraphs (19) and (20);

(D) paragraphs (18) through (23) as paragraphs (21) through (26);

(E) paragraphs (24) through (26) as paragraphs (28) through (30);

(F) paragraph (28) as paragraph (31); and

(G) paragraphs (30) and (31) as paragraphs (33) and (34);

(3) by adding after paragraph (3) the following new paragraphs:

“(4) CAPACITY BUILDING.—The term ‘capacity building’ means activities that enhance the ability of organizations, systems, and communities to serve, support, assist, and include people with developmental disabilities and their families.

“(5) COMMUNITY SUPPORT ACTIVITIES.—The term ‘community support activities’ means such life goal activities as will assist individuals with developmental disabilities to obtain the services and supports needed to become valued participating members of their community.”;

(4) by adding after paragraph (8) the following new paragraph:

“(9) EDUCATION ACTIVITIES.—The term ‘education activities’ means such life goal activities as will assist students to reach their educational potential, with appropriate support and modifications to the curriculum when necessary, and to be included in all aspects of student life.”;

(5) in paragraph (10) (employment activities), by striking “means” and all that follows and inserting “means such life goal activities as will assist individuals to obtain and retain employment, at a living wage, consistent with their interests, abilities, and needs.”;

(6) by adding after paragraph (11) the following new paragraphs:

“(12) HEALTH ACTIVITIES.—The term ‘health activities’ means such life goal activities as will assist people with developmental disabilities to develop and maintain healthy lifestyles, and to have access to and benefit from the full range of health-related activities and health services.

“(13) HOUSING ACTIVITIES.—The term ‘housing activities’ means such life goal activities as will assist individuals with developmental disabilities to obtain the assistance and supports, including home ownership and rental assistance, needed to live in their family homes or other homes of their choice and with individuals of their choice.

“(14) INCLUSION.—The term ‘inclusion’ means, with respect to individuals with developmental disabilities, the acceptance and encouragement of the presence and participation of such individuals by people without disabilities in social, educational, work, and community activities, enabling such individuals—

“(A) to have friendships and relationships with individuals and families of their own;

“(B) to live in homes close to community resources, with regular contact with individuals without disabilities in their communities; and

“(C) to enjoy full and active participation in the same community activities and types of employment as individuals without disabilities.”;

(7) by adding after paragraph (16) the following new paragraphs:

“(17) INTEGRATION.—The term ‘integration’ means, with respect to individuals with developmental disabilities, the equal right of such individuals to use the same community resources as are used by and available to other individuals.

“(18) LIFE GOALS; LIFE GOAL ACTIVITIES.—The term ‘life goal activities’ includes community support, education, employment, health, housing, and self-determination activities. The term ‘life goals’ means the goals specified in the definitions of life goal activities. The term ‘Federal life goal activities’ (used occasionally in this Act, for purposes of clarity, in references to Federal and State life goal activities) has the same meaning as the term ‘life goal activities’. The term ‘State life goal activities’ means additional activities designated by a State directed at additional life goals specified by the State.”;

(8) by adding after paragraph (26) the following new paragraph:

“(27) SELF-DETERMINATION ACTIVITIES.—The term ‘self-determination activities’ means activities enabling individuals with developmental disabilities to have—

“(A) control over and choice about the services, supports, and other assistance they receive;

“(B) control over resources to obtain needed services and supports;

“(C) a primary role in the development and a voice in shaping the implementation of public policies that affect them; and

“(D) the ability to advocate for themselves and others and to develop leadership skills.”;

(9) in paragraph (29) (definition of State)—

(A) by striking “, except as provided in section 155,”;

(B) by inserting “and” after “American Samoa”; and

(C) by striking all that follows “Northern Mariana Islands” and inserting a period; and

(10) by adding after paragraph (31) the following new paragraph:

“(32) SYSTEMIC CHANGE.—The term ‘systemic change’ means activities that result in laws, regulations, policies, practices or organizational structures that are consumer and family-responsive and -directed and that provide flexible services, supports, and other assistance enabling individuals with developmental disabilities to be independent, productive, integrated, and included in the community.”.

## **SEC. 103. REPORTS.**

(a) DEVELOPMENTAL DISABILITIES COUNCIL REPORTS.—Section 107(a) (42 U.S.C. 6006(a)) is amended—

(1) by striking paragraphs (1) through (4) and inserting the following:

“(1) a description of the life goal activities carried out, and their outcomes, and an accounting of the manner in which funds paid to a State under part B for a fiscal year were expended;”; and

(2) by redesignating paragraphs (5) through (7) as paragraphs (2) through (4).

(b) PROTECTION AND ADVOCACY SYSTEM (PAS) REPORTS.—Section 107(b) (42 U.S.C. 6006(b)) is amended by striking “activities, accomplishments, and expenditures of the system during the preceding fiscal year” and inserting “actions and expenditures of the system

during the preceding fiscal year related to promoting opportunities for individuals with developmental disabilities to participate in life goal activities, and the outcomes of those actions".

(c) SECRETARY REPORTS.—Section 107(c)(1) (42 U.S.C. 6006(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking “By July 1 of each year” and inserting “At least once during every two-year period”; and

(2) in subparagraph (A), by striking “accomplishments” and inserting “outcomes”.

(d) PAMI REPORTS.—Section 114 of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10824) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking all that follows "The Secretary shall" and inserting "annually prepare and transmit to the President, the Congress, and the National Council on Disability a report which contains—"; and

(2) in subsection (b), by striking "statement" and inserting "report".

## **SEC. 104. REGULATIONS.**

Section 108(a) (42 U.S.C. 6007(a)) is amended by striking “one hundred eighty days” and inserting “one year”.

## **TITLE II—AMENDMENTS TO PART B—FEDERAL ASSISTANCE TO STATE DEVELOPMENTAL DISABILITIES COUNCILS**

### **SEC. 201. STATE PLAN.**

(a) PLANNING CYCLE.—Section 122(b) (42 U.S.C. 6022(b)) is amended by striking “3 years” and inserting “5 years”.

(b) COMPREHENSIVE REVIEW AND ANALYSIS.—Section 122(c)(3)(C) (42 U.S.C. 6022(c)(3)(C)) is amended—

(1) in the matter preceding clause (i)—

(A) by striking “four Federal priority areas” and inserting “Federal life goal activities”; and

- (B) by striking “State priority area” and inserting “State life goal activity”;
- (2) in clause (i), by striking “priority areas” and inserting “life goal activities”;
- (3) by striking clause (iv) and redesignating clauses (v) through (ix) as clauses (iv) through (viii); and
- (4) in clause (viii), as redesignated, by striking “(vi)” and inserting “(v)”.

(c) PLAN ELEMENTS.—Section 122(c)(4) (42 U.S.C. 6022(c)(4)) is amended—

- (1) in the caption, by striking “OBJECTIVES”;
- (2) in subparagraph (A)—

- (A) by striking “three other Federal priority areas and an optional State priority area” and inserting “other Federal life goal activities and an optional State life goal activity”; and

- (B) by striking “State priority areas” and inserting “State life goal activities”;

- (3) in subparagraph (B)—

- (A) by striking “3-year” and inserting “5-year”;

- (B) by striking “a listing of”; and

- (C) by striking “in selected priority areas” and inserting “with respect to specific life goal activities”.

(d) ASSURANCES.—Section 122(c)(5) (42 U.S.C. 6022(c)(5)) is amended—

- (1) in subparagraph (A)(vi)—

- (A) by striking “activities in the Federal priority area of”; and

- (B) by striking “activities in any” and all that follows and inserting “any or all of the other Federal life goal activities and an optional State life goal activity”;

- (2) in subparagraph (A)(vii), by striking “priority area” and inserting “life goal”;

and

- (3) by striking subparagraph (I).

## **SEC. 202. STATE DEVELOPMENTAL DISABILITIES COUNCILS.**

(a) COUNCIL RESPONSIBILITIES.—Section 124(c) (42 U.S.C. 6024(c)) is amended—

(1) in paragraph (2)—

(A) in the caption, by striking “PRIORITY AREAS” and inserting “LIFE GOAL ACTIVITIES”;

(B) by striking “four Federal priority areas” and inserting “Federal life goal activities”; and

(C) by striking “State priority area” and inserting “State life goal activity”;

and

(2) in paragraph (4), by striking “the Federal” and all that follows through “section 102” and inserting “employment activities, not less than one of the remaining Federal life goal activities, and an optional State life goal activity”.

(b) REPEAL OF COMPLETED REPORTING REQUIREMENT.—Section 124(e) (42 U.S.C. 6024(e)) is repealed.

### **SEC. 203. STATE ALLOTMENTS.**

Section 125(a) (42 U.S.C. 6025(a)) is amended to read as follows:

“(a) ALLOTMENTS.—The Secretary shall allot among States with plans approved under this part the amount appropriated under section 130 for fiscal year 2000 and each succeeding fiscal year, in accordance with the following provisions:

“(1) BASE AMOUNT.—The Secretary shall first allot to each State an amount equal to three-tenths of one percent of such total amount.

“(2) POPULATION-BASED ALLOTMENTS.—95 percent of the amount remaining after carrying out paragraph (1) shall be allotted as follows (subject to reductions in accordance with paragraph (4)):

“(A) UNADJUSTED POPULATION-BASED SHARE.—Each State shall be allotted an amount bearing the same ratio to 25 percent of such remainder as the population of the State bears to the population of all States with approved plans.

“(B) INCOME-ADJUSTED POPULATION-BASED SHARE.—

“(i) IN GENERAL.—Each State shall be allotted an amount bearing the same ratio to 70 percent of such remainder as the income-adjusted amount determined for the State under clause (ii) bears to the sum of such amounts for all States with approved plans.

“(ii) CALCULATION.—The income-adjusted amount for a State determined under this clause shall equal the product of—

“(I) the per capita income of all States with approved plans divided by the per capita income of the State, and

“(II) the population of the State.

“(C) DATA USED FOR CALCULATIONS.—For purposes of the computation of allotments for a fiscal year under this paragraph, the population and per capita income of each State shall be considered to be the average of the population and per capita income in the State in the three most recent consecutive calendar years for which satisfactory data of the Bureau of the Census of the Department of Commerce are available to the Secretary as of September 1 of the preceding fiscal year.

“(3) OUTCOME-BASED SHARE.—

“(A) IN GENERAL.—For fiscal year 2003 and each succeeding year, each qualified State (as defined in subparagraph (B)) shall be allotted an amount bearing the same ratio to 5 percent of such remainder as the income-adjusted population of such State (as determined for purposes of paragraph (2)) bears to the income-adjusted population of all qualified States (as so determined).

“(B) DEFINITION.—For purposes of this paragraph, the term ‘qualified State’ means, with respect to a fiscal year, a State whose outcomes for the preceding fiscal year, as reflected in the annual report of the State Developmental Disabilities Council under section 107(a), equal or exceed benchmarks established

by the Secretary in regulations with respect to education, employment, and any additional life goals that the Secretary may specify.

“(4) LIMITED HOLD-HARMLESS.—

“(A) IN GENERAL.—Notwithstanding the preceding provisions of this subsection, a State’s total allotment under this section for any of fiscal years 2000 through 2002 shall not be less than 95 percent of its allotment for the preceding fiscal year.

“(B) HOLD-HARMLESS ALLOTMENTS.—As necessary to carry out subparagraph (A), the Secretary shall allot, to each State whose allotment would otherwise be reduced, an amount (derived as provided in subparagraph (C)) equal to the difference between its allotment as determined under paragraphs (1) and (2) and 95 percent of its allotment under this section for the preceding fiscal year.

“(C) SOURCES OF HOLD-HARMLESS FUNDS.—For purposes of the hold-harmless allotments required under this paragraph for fiscal years 2000 through 2002, the Secretary shall use—

“(i) 5 percent of the amount remaining after carrying out paragraph (1); plus

“(ii) such additional amount as necessary, derived by reducing the allotment under paragraph (2) of each State not described in subparagraph (B) by an amount bearing the same ratio to the additional amount necessary as such State’s unreduced allotment under paragraph (2) bears to the sum of such unreduced allotments for all such States.”.

## **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

Section 130 (42 U.S.C. 6030) is amended to read as follows:

### **“SEC. 130. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out the purposes of this part \$64,803,000 for fiscal year 2000 and such sums as may be necessary for each of fiscal years

2001 through 2004.

## **SEC. 205. TECHNICAL AND CONFORMING AMENDMENTS TO PART B.**

(a) PAYMENTS TO STATES FOR ADMINISTRATION.—Section 126(a) (42 U.S.C. 6026(a)) is amended by striking “, other than expenditures for construction,”.

### **(b) WITHHOLDING OF PAYMENTS FOR ADMINISTRATIVE SUPPORT**

SERVICES.—Section 127 (42 U.S.C. 6027) is amended—

(1) in the caption, by striking “PLANNING, ADMINISTRATION, AND” and inserting “ADMINISTRATIVE SUPPORT”;

(2) in the matter preceding paragraph (1)—

(A) by striking “State Planning Council” and inserting “State Developmental Disabilities Council”; and

(B) by striking “section 122(b)(1)” and inserting “section 124(d)”; and

(3) in paragraph (1), by striking “, particularly section 122(b)(3) or 122(f)”.

(c) APPEALS BY STATES.—Section 129 (42 U.S.C. 6029) is amended in the first sentence by striking “section 122(c)” and inserting “section 122(d)(3)”.

## **TITLE III—AMENDMENTS TO PART C—PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS**

### **SEC. 301. PROTECTION AND ADVOCACY SYSTEM.**

(a) SYSTEM REQUIRED.—Section 142(a) (42 U.S.C. 6042(a)) is amended—

(1) in paragraph (2)(C), by inserting before the semicolon “, taking into consideration the life goal activities (as defined in section 102)”;

(2) by striking paragraph (3); and

(3) by adding a new paragraph (3) (containing the text of the current section 142(c)(3), as follows:

“(3) a State may use not more than 5 percent of any allotment under subsection (c) for the costs of monitoring the administration of the system required under this subsection;”.

(b) ALLOTMENTS.—Section 142(c) (42 U.S.C. 6042(c)) is amended to read as follows:

“(c) ALLOTMENTS.—

“(1) IN GENERAL.—The Secretary shall allot among States with protection and advocacy systems approved under this part the total amount available for allotments under this section, from appropriations under section 143 for a fiscal year, on the same basis as allotments and reallotments are made under subsections (a) and (e) of section 125, except as otherwise provided in this subsection.

“(2) BASE AMOUNT.—The base amount allotment for each State under this section shall equal sixty-five hundredths of one percent of the total amount available for allotment.

“(3) OUTCOME-BASED SHARE.—

“(A) IN GENERAL.—For fiscal year 2003 and each succeeding year, each qualified State (as defined in subparagraph (B)) shall be allotted an amount bearing the same ratio to 5 percent of such remainder as the income-adjusted population of such State (as determined for purposes of paragraph (2)) bears to the income-adjusted population of all qualified States (as so determined).

“(B) DEFINITION.—For purposes of this paragraph, the term ‘qualified State’ means, with respect to a fiscal year, a State whose outcomes for the preceding fiscal year, as reflected in the annual report of the State Protection and Advocacy system under section 107(b), equal or exceed benchmarks established by the Secretary in regulations with respect to outcomes of actions by State Protection and Advocacy systems related to the carrying out of life goal activities.”.

**SEC. 302. AUTHORIZATION OF APPROPRIATIONS; RESERVATION AND USE  
OF FUNDS BY SECRETARY.**

Section 143 (42 U.S.C. 6043) is amended to read as follows:

**“SEC. 143. AUTHORIZATION OF APPROPRIATIONS; RESERVATION AND USE**

## **OF FUNDS BY SECRETARY.**

“(a) IN GENERAL.—There are authorized to be appropriated to carry out the purposes of this part \$26,718,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2004.

“(b) SECRETARY'S RESERVATION AND USE OF FUNDS.—Of the amount appropriated under subsection (a) for each fiscal year, before making allotments to States under section 142(c) the Secretary shall set aside—

“(1) not more than 2 percent, which the Secretary shall use to provide (either directly or through grant or contract) technical assistance and training to eligible State systems with respect to activities carried out under this title; and

“(2) an amount for grants to American Indian Consortiums described in section 142(b) for the provision of protection and advocacy services equal to—

“(A) for fiscal year 2000, the amount of the grant to Guam under this part for fiscal year 1999; and

“(B) for each succeeding year, an amount equal to the base amount allotment for each State for the preceding fiscal year under section 142(c)(2).”.

## **TITLE IV—AMENDMENTS TO PART D—**

### **UNIVERSITY AFFILIATED PROGRAMS**

#### **SEC. 401. REVISION OF PART D.**

Part D (42 U.S.C. 6061 et seq.) is amended to read as follows:

#### **“PART D—UNIVERSITY AFFILIATED PROGRAMS**

##### **“SEC. 151. PURPOSE AND SCOPE OF ACTIVITIES.**

“(a) PURPOSE.—The purpose of this part is to provide for grants to university affiliated programs (hereafter in this part referred to as UAPs) that are interdisciplinary programs operated by universities, or by public or nonprofit entities associated with a college or university, to provide a leadership role in the promotion of independence, productivity, and integration into and inclusion in the community of individuals with developmental disabilities by carrying out, in

a culturally competent manner, the programs and activities described in subsection (b).

“(b) PROGRAM ACTIVITIES.—A UAP receiving a grant under this part shall carry out the following activities with respect to individuals with developmental disabilities, with a primary focus on life goal activities as defined in section 102:

“(1) PREPARATION AND TRAINING.—

“(A) EDUCATION.—Interdisciplinary preservice preparation of students and fellows, including the preparation of leadership personnel.

“(B) TRAINING.—Support of projects to train personnel to address the needs of individuals with disabilities, which—

“(i) shall include training projects focusing on Federal life goal activities;

“(ii) shall include a training initiative projects or projects relating to areas of emerging national significance, such as those described in subsection (d); and

“(iii) may include training projects in an area or areas of special concern to the UAP, developed in consultation with the State Developmental Disabilities Council.

“(2) COMMUNITY SERVICE ACTIVITIES.—Community service activities that—

“(A) shall include community training and technical assistance for individuals with developmental disabilities, members of their families, professionals, paraprofessionals, students, and volunteers; and

“(B) may include state-of-the-art direct services including family support, individual support, personal assistance services, educational, vocational, clinical, health, prevention, or other services.

“(3) INFORMATION DISSEMINATION.—Dissemination of information and research findings with respect to the field of developmental disabilities to individuals

with developmental disabilities, their families, professionals, paraprofessionals, policy makers, students, and volunteers.

“(4) RESEARCH.—Research on and validation of new approaches and promising practices offering more efficient and effective methods for the delivery of services to individuals with developmental disabilities, and contributions to the development of new knowledge in the field of developmental disabilities.

“(c) USE OF GRANT FUNDS.—Grants under this part may be used by UAPs for payment (subject to the limitations in section 152(c)) of the cost of activities specified in subsection (b), including—

“(1) the costs of courses of training or study for personnel to provide services for individuals with developmental disabilities and their families; and

“(2) the costs of fellowships or traineeships providing such stipends or allowances as may be determined by the Secretary.

“(d) TRAINING INITIATIVE PROJECTS.—Training initiative projects of UAPs that may be supported under this part include the following:

“(1) EARLY INTERVENTION.—Training to family members of children with disabilities and personnel from all disciplines concerning interventions to infants, toddlers, and preschool age children with developmental disabilities.

“(2) AGING.—Planning, design, and implementation of coordinated interdisciplinary training programs with existing aging or gerontological programs to prepare professional staff to provide services for aging individuals with developmental disabilities and their families.

“(3) COMMUNITY SERVICES.—Training that enhances community-level direct support services for individuals with developmental disabilities, including training for community members, families, individuals with developmental disabilities, and community-based direct service providers.

“(4) POSITIVE BEHAVIORAL SUPPORTS.—Training to family members of

individuals with developmental disabilities and personnel in methods of developing individual supports that maximize opportunities for independence, productivity, and integration into and inclusion in the community for individuals with developmental disabilities and severe behavior problems.

"(5) ASSISTIVE TECHNOLOGY SERVICES.—Training to personnel who provide, or will provide, assistive technology services and devices to individuals with developmental disabilities and their families.

"(6) AMERICANS WITH DISABILITIES ACT.—Training with respect to the provisions of the Americans with Disabilities Act of 1990 to personnel who provide, or will provide, services to individuals with developmental disabilities, and to others concerned with individuals with developmental disabilities.

"(7) COMMUNITY TRANSITION.—Training projects with respect to transition from school to adult life, for individuals with developmental disabilities and their families, community agencies, advocacy organizations, and others in order to stimulate the development and improvement of policies, procedures, systems, and other mechanisms that prepare youth with developmental disabilities to enter adult life.

**“SEC. 152. GRANT AUTHORITY; PRIORITY FOR GRANT AWARDS; FEDERAL SHARE.**

“(a) IN GENERAL.—From appropriations under section 154, the Secretary shall make grants to UAPs to carry out activities described in section 151. Grants may be awarded for a period not to exceed 5 years.

“(b) PRIORITY FOR GRANT AWARDS.—From amounts appropriated under this part for each fiscal year, the Secretary shall award grant funds in accordance with the following order of priorities:

“(1) GRANTS TO PREVIOUSLY FUNDED UAPs.—The Secretary shall first award to each UAP with an approved application which received a grant under this part for the preceding fiscal year an amount equal to \$290,000 or, if less, an amount

determined by dividing the total amount available for grant awards under this section by the total number of such UAPs.

“(2) ADDITIONAL GRANTS.—From any amount remaining after awarding grants in accordance with paragraph (1), the Secretary may award, on a competitive basis, either or both of the following—

“(A) additional grants to UAPs described in paragraph (1); and

“(B) grants to additional UAPs (giving particular attention to the need for UAPs to address the needs of low-income individuals and members of unserved and underserved population groups).

“(c) FEDERAL SHARE.—

“(1) IN GENERAL.—A grant to a UAP under this part shall be available to pay not more than the following share of the necessary cost (as determined by the Secretary) of activities of the UAP specified in section 151(b):

“(A) 75 percent, except as provided in paragraph (2); and

“(B) 90 percent, in the case of a project or activity whose primary purpose is to serve individuals with developmental disabilities who live in an urban or rural poverty area.

“(2) EXPENDITURES CONSIDERED.—For purposes of paragraph (1), expenditures on a project or activity of a UAP by a political subdivision of the State or by a public or private entity shall, subject to such limitations and conditions as the Secretary may by regulation prescribe, be considered to be expenditures made by the UAP.

#### **“SEC. 153. ELIGIBILITY CRITERIA.**

“(a) STANDARDS.—

“(1) IN GENERAL.—The Secretary shall establish by regulation standards for UAPs that shall reflect the special needs of all individuals with developmental disabilities of various ages, and shall include performance standards relating to each of the activities described in section 151(b).

“(2) STANDARDS FOR TRAINING PROJECTS.—Training projects of a UAP which may be funded by grants under this part shall—

“(A) be designed and conducted in consultation with the UAP’s consumer advisory committee and the State Developmental Disabilities Council, and address areas of critical personnel shortage identified through such consultation;

“(B) include methods for cooperation with relevant State agencies in order to address statewide personnel and service needs;

“(C) use strategies to recruit and train individuals from racial and ethnic minority backgrounds and individuals with developmental disabilities;

“(D) be integrated into the appropriate UAP and university curriculum;

“(E) to the extent possible, be interdisciplinary;

“(F) to the extent practical, be conducted in environments where services are actually delivered;

“(G) address the issue of cultural competence in the training provided; and

“(H) be evaluated using state-of-the-art techniques.

“(b) APPLICATION.—In order to be eligible for a grant under this part, a UAP must submit to the Secretary an application, in such form and manner as the Secretary may require, and containing or supported by the following information and assurances:

“(1) COMPLIANCE WITH STANDARDS.—An assurance that—

“(A) The applicant’s program is in full compliance with the standards established under subsection (a); or

“(B) (in the case of an applicant that has not previously received a grant under this part and that cannot make the assurance under subparagraph (A) )—

“(i) the applicant will make substantial progress toward bringing the program into compliance with such standards; and

“(ii) the applicant’s program will fully comply with such standards not later than three years after the date of approval of the initial

application.

“(2) COORDINATION WITH STATE PLAN UNDER PART B.—An assurance that the activities of the UAP under this part are consistent with, and to the extent feasible complement and further, the objectives in the State plan under section 122.

“(3) MAINTENANCE OF EFFORT.—Assurances that—

“(A) the making of the grant will not result in any decrease in the availability to the applicant, or use by the applicant, of State, local, and other non-Federal funds for services for individual with developmental disabilities and for training of individuals to provide such services; and

“(B) the grant will be used to supplement and, to the extent practicable, increase the level of such funds.

“(4) INVOLVEMENT OF PUBLIC AND DD COUNCIL.—An assurance that, prior to submission of the application, an opportunity for comment was provided to the public and the State Developmental Disabilities Council.

“(5) CONSUMER ADVISORY COMMITTEE.—An assurance that the UAP has established and has in effect a procedure for consulting a consumer advisory committee meeting the requirements of subsection (c).

“(6) HUMAN RIGHTS PROTECTION.—An assurance that the human rights of all individuals with developmental disabilities served under the program (especially those individuals without familial protection) will be protected consistent with section 110 (relating to rights of individuals with developmental disabilities).

“(7) INFORMATION CONCERNING TRAINING PROJECTS.—Such assurances and information as the Secretary may require to demonstrate that training projects under the program comply with the requirements of subsection (a)(2).

“(c) CONSUMER ADVISORY COMMITTEE.—

“(1) IN GENERAL.—To be eligible for a grant under this part, a UAP must have established a consumer advisory committee that meets the requirements of paragraph (2)

and—

“(A) includes members who are—

“(i) individuals with developmental disabilities;

“(ii) family members of individuals with developmental disabilities;

“(iii) representatives of State protection and advocacy systems;

“(iv) members of State Developmental Disabilities Councils (including State service agency directors),

“(v) representatives of local agencies;

“(vi) members of private nonprofit groups concerned with providing services for individuals with developmental disabilities, which may include representatives from parent training and information centers; and

“(B) reflects the social and economic characteristics of the population of the geographic area served by the UAP.

"(2) REPRESENTATION OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.—Not less than 50 percent of the membership of the Committee shall consist of individuals who are individuals with developmental disabilities or members of families of individuals with developmental disabilities.

“(d) PEER REVIEW.—

“(1) IN GENERAL.—The Secretary shall require appropriate technical and qualitative review of applications by UAPs for grants under this part by peer review groups established under paragraph (2), including on-site visits or inspections as necessary.

“(2) ESTABLISHMENT OF PEER REVIEW GROUPS.—

“(A) IN GENERAL.—The Secretary may establish such peer review groups as are necessary to carry out this subsection, which shall be composed of

individuals who (prior to their appointment under this paragraph) are not Federal officials or employees and who, by experience and training, are highly qualified to assess the comparative quality of applications for grants under this part.

“(B) APPOINTMENT AND COMPENSATION.—The Secretary may appoint and set the rates of pay for members of such groups, notwithstanding the following provisions of title 5, United States Code:

“(i) provisions concerning appointments to the competitive service;  
and

“(ii) the provisions of chapter 51, and subchapter III of chapter 53, concerning classification and General Schedule pay rates.

“(3) SECRETARY’S CONSIDERATION OF RECOMMENDATION.—The Secretary may approve an application for a grant under this part only if the application has been recommended by a peer review group that has conducted the peer review required under paragraph (1), except where the Secretary finds that waiver of this requirement is warranted in exceptional circumstances.

“(e) REVIEW BY OTHER FEDERAL AGENCIES.—The Secretary shall establish such a process for the review of applications for grants under this part as will ensure, to the maximum extent feasible, that each Federal agency that provides funds for the direct support of the applicant’s program reviews the application.

#### **“SEC. 154. AUTHORIZATION OF APPROPRIATIONS.**

“(a) IN GENERAL.—For the purpose of making grants under section 152, there are authorized to be appropriated \$17,461,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2004.

“(b) LIMITATION.—With respect to peer review or other activities directly related to peer review, the Secretary may not use more than an amount equal to the sum of—

“(1) \$300,000; plus

“(2) an amount bearing the same ratio to \$300,000 as the percentage increase in

the Consumer Price Index from 1994 to such fiscal year.”.

**TITLE V—AMENDMENTS TO PART E—  
PROJECTS OF NATIONAL SIGNIFICANCE**

**SEC. 501. PURPOSE.**

Section 161 (42 U.S.C. 6081) is amended—

- (1) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4);
- (2) by adding before paragraph (2), as redesignated, the following new paragraph:  
“(1) family support activities;”; and
- (3) in paragraph (4), as redesignated—
  - (A) by adding “and” at the end of subparagraph (D);
  - (B) by striking “; and” at the end of subparagraph (E) and inserting a period; and
  - (C) by striking subparagraph (F).

**SEC. 502. GRANT AUTHORITY.**

(a) FAMILY SUPPORT ACTIVITIES.—Section 162(a)(1) (42 U.S.C. 6082(a)(1)) is amended—

- (1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C); and
- (2) by adding before subparagraph (B), as redesignated, the following new subparagraph:

“(A) address the support needs of families of children with disabilities through systemic change activities, technical assistance, research and evaluation, and other initiatives that are designed to assist in the development and implementation, or expansion and enhancement, of services that are family-centered and family-directed, culturally competent, community-centered, and comprehensive.”.

(b) CLARIFYING AMENDMENTS CONCERNING OTHER NATIONALLY SIGNIFICANT INITIATIVES.—Section 162(a)(2) is amended—

(1) in subparagraph (A)—

(A) by striking "research" and inserting "demonstrations";

(B) by striking "supportive living" and inserting "community living"; and

(C) by striking "that enhance recreation, leisure, and fitness"; and

(2) in subparagraph (E), by striking "research" and inserting "demonstrations".

(c) REPEAL OF COMPLETED EXPANSION STUDY.—Section 162 (42 U.S.C. 6082) is amended by striking subsection (b).

(d) INTERAGENCY INITIATIVES.—

(1) AUTHORITY.—Section 162 (42 U.S.C. 6082), as amended by subsection (b) of this section, is further amended by adding after subsection (a) the following new subsection:

“(b) FEDERAL INTERAGENCY INITIATIVES.—

“(1) IN GENERAL.—

“(A) AUTHORITY.—The Secretary may enter into arrangements with other Federal agencies to carry out activities under subsection (a) or to jointly carry out activities of common interest related to the purposes of subsection (a), and for such purposes may transfer to such agencies funds appropriated under this part, and may receive and use funds from such agencies.

“(B) RELATION TO PROGRAM PURPOSES.—Funds transferred or received pursuant to paragraph (1) shall be used only in accordance with the statutes authorizing the appropriation of such funds, and shall be made available by contract or grant only to recipients eligible to receive such funds under such statutes.

“(C) PROCEDURES AND CRITERIA.—If the Secretary enters into an agreement under this subsection for the administration of a project—

“(i) the agreement shall specify which agency’s procedures shall be used to award contracts or grants and to administer such awards;

“(ii) the participating agencies may develop a single set of criteria for the jointly funded project, and may require applicants to submit a single application for joint review by such agencies; and

“(iii) any applicant for such a joint award shall meet the eligibility requirements of each such program.

“(2) LIMITATION.—The Secretary may not construe the provisions of this subsection to take precedence over a limitation on joint funding contained in an applicable statute.

“(3) CONGRESSIONAL NOTICE.—

“(A) IN GENERAL.—The Secretary shall provide notice to the Commerce Committee of the House of Representatives and the Health, Education, Labor, and Pensions Committee of the Senate of each joint funding agreement made with other Federal agencies not later than 60 days after making such agreement.

“(B) INFORMATION REQUIRED.—Such notice shall specify—

“(i) the purpose and objectives of the arrangement;

“(ii) the amounts and sources, by program, of the funds dedicated to such arrangement; and

“(iii) the criteria developed to govern the award of contracts and grants.”.

(2) CONFORMING AMENDMENT.—Section 162(a)(2) (42 U.S.C. 6082(a)(2)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

## **SEC. 503. AUTHORIZATION OF APPROPRIATIONS; USE OF FUNDS.**

Section 163 (42 U.S.C. 6083) is amended to read as follows:

### **“SEC. 163. AUTHORIZATION OF APPROPRIATIONS; USE OF FUNDS.**

“(a) IN GENERAL.—There are authorized to be appropriated to carry out the purposes

specified in subsection (b) \$10,250,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2004.

“(b) USE OF FUNDS.—

“(1) IN GENERAL.—The amounts appropriated under subsection (a) for each fiscal year shall be used to make grants under section 162, and for the costs (other than compensation of Federal employees) of the Administration on Developmental Disabilities for administering this part and parts B, C, and D, including monitoring grantee performance and providing technical assistance to grantees.

“(2) LIMITATIONS.—

“(A) MINIMUM AMOUNT FOR TECHNICAL ASSISTANCE.—Not less than \$300,000 shall be used to carry out the provisions of section 162(a)(1)(C).

“(B) NON-DUPLICATION OF TECHNICAL ASSISTANCE FUNDING FOR PROTECTION AND ADVOCACY SYSTEMS.—If technical assistance to improve the effectiveness of protection and advocacy systems under part C is provided under section 143(b), no funding for the provision of such technical assistance to protection and advocacy systems shall be provided under this part.

**TITLE VI—EFFECTIVE DATE**

**SEC. 601. EFFECTIVE DATE.**

Except as otherwise specifically provided, the amendments made by this Act shall be effective with respect to programs and activities under the Developmental Disabilities Assistance and Bill of Rights Act on and after October 1, 1999.

**"DEVELOPMENTAL DISABILITIES ASSISTANCE AMENDMENTS OF 1999"**

**Section-by-Section Summary**

**TITLE I—AMENDMENTS TO PART A—GENERAL PROVISIONS**

**SEC. 101. PURPOSE.**

This section amends section 101(b)(4) of the Developmental Disabilities Assistance and Bill of Rights Act ("the Act"), concerning support for national initiatives, to add as a purpose support for statewide systems of family support.

**SEC. 102. DEFINITIONS.**

This section makes various amendments to section 102 of the Act (Definitions). The key changes, which relate to changes throughout the bill, replace the current set of Federal priority areas (community living activities, employment activities, child development activities, and system coordination and community education activities) with a set of life goal activities that are closely coordinated with standards and reporting requirements already being put in place to comply with the Government Performance and Results Act (GPRA). Life goal activities are as follows:

- Community support activities to assist individuals with developmental disabilities (DD) to obtain the services and supports needed to become valued participating members of their community.
- Education activities to assist students to reach their educational potential, with appropriate support and modifications to the curriculum when necessary, and to be included in all aspects of student life.
- Employment activities to assist individuals to obtain and retain employment, at a living wage, consistent with their interests, abilities, and needs.
- Health activities to assist people with DD to develop and maintain healthy lifestyles, and to have access to and benefit from the full range of health-related activities and health services.
- Housing activities to assist individuals with DD to obtain the assistance and supports, including home ownership and rental assistance, needed to live in their family homes or other homes of their choice and with individuals of their choice.

- Self-determination activities enabling individuals with DD to have (A) control over and choice about the services, supports, and other assistance they receive; (B) control over resources to obtain needed services and supports; (C) a primary role in the development, and a voice in shaping the implementation, of public policies that affect them; and (D) the ability to advocate for themselves and others and to develop leadership skills.

This section also adds the following definitions:

- ~~“Advocacy” means, with respect to activities undertaken by State DD Councils and Protection and Advocacy systems (PASSs) relating to individuals with DD, the provision of information to policymakers regarding how to improve policies and practices that promote and enhance the independence, productivity, integration, and inclusion of people with DD. With respect to PASSs, the term also includes such other activities as such systems must be authorized to undertake under section 142(a)(2)(A)(i).~~
- “Capacity building” means activities that enhance the ability of organizations, systems, and communities to serve, support, assist, and include people with DD and their families.
- “Systemic change” means activities that result in laws, regulations, policies, practices or organizational structures that are consumer and family-responsive and -directed and that provide flexible services, supports, and other assistance enabling individuals with DD to be independent, productive, integrated, and included in the community.

Current definitions are amended as follows:

- “Inclusion” means the acceptance and encouragement of the presence and participation of individuals with DD by people without disabilities in social, educational, work, and community activities, enabling such individuals (A) to have friendships and relationships with individuals and families of their own; (B) to live in homes close to community resources, with regular contact with individuals without disabilities in their communities; and (C) to enjoy full and active participation in the same community activities and types of employment as individuals without disabilities.
- “Integration” means the equal right of individuals with DD to use the same community resources as are used by and available to other individuals.
- “State” is amended to delete reference to Palau, which is now under a compact of free association with the United States and no longer participates in Federally assisted programs as a territory.

## **SEC. 103. REPORTS.**

This section amends section 107 of the Act as follows:

- The requirements for annual reports to the Secretary by State DD Councils and PASSs

Protection and Advocacy Systems (PASS) are amended to require reporting of activities and outcomes relating to life goal activities rather than Federal and State priority areas; and

- The requirement for the Secretary's report to the Congress is made biennial rather than annual.

This section also amends section 114 of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (PAMI) to eliminate the requirement that the annual report under that Act be included in the Secretary's report under the DD Act ~~include a statement (duplicating reports under PAMI) on activities and accomplishments under that Act~~, thus permitting the two reports to be handled separately and on different timetables.

## **SEC. 104. REGULATIONS.**

This Section amends section 108 of the Act to require final regulations implementing changes to the Act to be promulgated one year (rather than 180 days) after enactment.

## **TITLE II—AMENDMENTS TO PART B— FEDERAL ASSISTANCE TO STATE DD COUNCILS**

### **SEC. 201. STATE PLAN.**

This section amends section 122 of the Act (1) to provide for a 5-year (rather than 3-year) planning cycle; (2) to replace references to priority areas with references to life goal activities; and (3) to delete obsolete provisions, including (A) a reference to the completed 1990 report under section 124(e), and (B) a requirement to provide to the State DD Council a report on intermediate care facilities for the mentally retarded (ICFs-MR) that is no longer required under Medicaid.

### **SEC. 202. STATE DD COUNCILS.**

This section amends section 124 of the Act (1) the replace references to priority areas with references to life goal activities; and (2) to delete the completed "1990 Report" requirement for a comprehensive review, analysis, and report on the scope and effectiveness of State agency services for individuals with DD.

### **SEC. 203. STATE ALLOTMENTS.**

This section amends the allotment formula under section 125(a) of the Act to provide for allotment of ~~amounts available from~~ appropriations under section 130 for each fiscal year as follows:

- (1) **BASE AMOUNT:** Each State would be allotted three-tenths of percent of the total amount available.

- (2) **POPULATION-BASED ALLOTMENTS:** 95 percent of the remainder would be allotted as follows, based on population and income data from the Census Bureau of the Commerce Department:
- (A) **UNADJUSTED ALLOTMENT:** 25 percent would be allotted to States in proportion to their shares of the population of all States with approved plans.
  - (B) **PER CAPITA INCOME (PCI)-ADJUSTED ALLOTMENT:** 70 percent would be allotted to States in amounts bearing the same ratio to the sum available as the State PCI-adjusted population bore to the sum of PCI-adjusted populations of all States. As under current regulations, State PCI-adjusted population would be determined by dividing total PCI of all participating States by the State PCI and multiplying by State population.
- (3) **OUTCOME-BASED SHARE:** For FY 2003 and succeeding years, the final 5 percent of available appropriations would be allotted among qualifying States in PCI-adjusted shares. To qualify, a State's outcomes for the preceding fiscal year with respect to life goals under its plan, as reflected in the State DD Council's annual report to the Secretary, would have to equal or exceed benchmarks to be established by the Secretary in regulations with respect to education, employment, and any additional life goals the Secretary specified.
- (4) **LIMITED HOLD-HARMLESS:** Notwithstanding the above, a State's total allotment for any of FYs 2000 through 2002 could not be less than 95 percent of its allotment for the preceding fiscal year. Funds necessary to carry out the hold-harmless would be derived (A) from the remaining 5 percent of amounts available from appropriations after carrying out paragraphs (1) and (2) above, and (B) to the extent necessary, by pro rata reductions of allotments under paragraph (2) to States not requiring hold-harmless allotments.

**SEC. 204. AUTHORIZATION OF APPROPRIATIONS; ~~RESERVATION AND USE OF FUNDS BY SECRETARY.~~**

This section amends section 130 of the Act to authorize appropriations of \$64,803,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004. ~~This section also provides that the Secretary, before making allotments to States under section 125, shall set aside not more than one percent for each of FYs 2000 and 2001, and not more than 2 percent for each succeeding fiscal year, which the Secretary shall use in providing (directly or through grant or contract) technical assistance and training to State DD Councils and their members.~~

**SEC. 205. TECHNICAL AND CONFORMING AMENDMENTS TO PART B.**

This section makes various technical and conforming amendments to part B of the Act.

**TITLE III—AMENDMENTS TO PART C—PROTECTION AND**

## **ADVOCACY OF INDIVIDUAL RIGHTS**

### **SEC. 301. PROTECTION AND ADVOCACY SYSTEM (PAS).**

Subsection (a) amends section 142(a) of the Act (1) to require that the PAS annual statement of objectives and priorities take life goal activities into consideration; (2) to delete the provision requiring use of the discontinued Medicaid ICFs-MR report; and (3) to relocate from section 142(c) the provision concerning use of up to 5 percent of allotments for monitoring costs.

Subsection (b) amends section 142(c) (the allotment formula for PAS systems) to provide for allotments according to the formula specified for State DD Councils in section 130 (including the limited hold-harmless for FYs 2000-2002), except that (1) the base amount shall be sixty-five hundredths of one percent ~~for States, the District of Columbia, and Puerto Rico and five-tenths of one percent for other participating territories~~; and (2) the benchmarks used to determine eligibility for the 5 percent incentive funding for FY 2003 and succeeding years will be benchmarks specific to PAS activities relative to life goals established by the Secretary in regulations.

### **SEC. 302. AUTHORIZATION OF APPROPRIATIONS; RESERVATION AND USE OF FUNDS BY SECRETARY.**

This section amends section 143 of the Act to authorize appropriations of \$26,718,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004. This section also provides that the Secretary, before making allotments to State PAS systems under section 142(c), shall set aside (1) not more than 2 percent for each fiscal year, which the Secretary shall use (in addition to amounts available from appropriations for salaries and expenses) ~~(1)~~ to provide (directly or through grants or contracts) technical assistance and training to State PAS systems; and (2) an amount for grants to American Indian Consortiums for protection and advocacy services.

## **TITLE IV—AMENDMENTS TO PART D— UNIVERSITY AFFILIATED PROGRAMS**

### **SEC. 401. REVISION OF PART D.**

This section amends part D of the Act in its entirety. The key changes provide for a single university affiliated program (UAP) grant, combining the basic and training projects grants; (2) reorganize, streamline, and simplify the part, organizing the part in a more logical order and eliminating redundant provisions; (3) provide for a focus on life goal activities. As amended, part D would have the following provisions:

#### **SEC. 151. PURPOSE AND SCOPE OF ACTIVITIES.**

Subsection (a) states the broad purposes of this part. These are essentially unchanged from current law.

Subsection (b) specifies the program activities to be carried out by UAP grantees, with a primary focus on the life goal activities, including (1) preparation and training (including training initiative projects (TIPs) in emerging areas of national significance); (2) community service activities; (3) information dissemination; and (4) research.

Subsection (c) provides that grant funds may be used for costs of activities under this part, including costs of courses of training or study, and costs of fellowships or traineeships.

Subsection (d) provides that TIPs that may be funded under this part include the following TIPs specified in current law, with respect to: (1) early intervention with infants, toddlers, and preschool age children with DD; (2) interdisciplinary programs addressing needs of aging individuals with DD; (3) community-level direct support services; (4) training family members concerning positive behavioral supports; (5) assistive technology services; (6) provisions of the Americans with Disabilities Act of 1990; and (7) transition of youth with DD from school to adult life.

## **SEC. 152. GRANT AUTHORITY; PRIORITY FOR GRANT AWARDS; FEDERAL SHARE.**

This section provides that, from ~~amounts available from~~ appropriations under section 154, the Secretary shall first award to each approved and previously funded applicant \$290,000 (or an equal share of the amount available, if appropriations are insufficient). From any amount remaining, the Secretary may award, on a competitive basis (1) additional grants to these UAPs, or (2) grants to additional UAPs, giving particular attention to the need for UAPs to address the needs of low-income individuals and members of unserved and underserved population groups.

This section also retains from current law provisions (1) limiting grant awards to 5-year periods; and (2) providing for 75 percent Federal matching of UAP expenditures (or 90 percent, in the case of a project or activity whose primary purpose is to serve individuals with DD who live in an urban or rural poverty area.)

## **SEC. 153. ELIGIBILITY CRITERIA.**

This section retains but reorganizes the key provisions of current law. One key change is the elimination of the areas of focus for training projects, which have been replaced altogether by requirements focusing on life goals.

Subsection (a) requires the Secretary to establish standards (including performance standards) by regulation, and specifies criteria for the design of training projects drawn from current law.

Subsection (b) specifies application requirements; all are drawn from current law.

Subsections (c), (d), and (e) restate current law requirements (1) that a UAP have established a consumer advisory committee (with an added requirement that not less than 50 percent of committee members be individuals with DD or members of their families); (2) for peer review of applications; and (3) for review of applications by other Federal agencies that fund the applicant's programs.

#### **SEC. 154. AUTHORIZATION OF APPROPRIATIONS; ~~RESERVATION AND USE OF FUNDS BY SECRETARY.~~**

This section authorizes appropriations of \$17,461,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004. ~~This section also provides that, for the Secretary, before purpose of making grants to UAPs under section 152, shall set aside not more than one percent for each of FYs 2000 and 2001, and not more than 2 percent for each succeeding fiscal year, which the Secretary shall use (in addition to amounts available from appropriations for salaries and expenses) for costs of peer review groups and to provide (directly or through grant or contract) technical assistance and training to UAPs.~~ This section retains the provision of current law limiting funding for peer review activities to \$300,000 adjusted by a percentage equal to the change in the Consumer Price Index since 1994.

### **TITLE V—AMENDMENTS TO PART E— PROJECTS OF NATIONAL SIGNIFICANCE**

#### **SEC. 501. PURPOSE.**

This section amends section 161 of the Act to add family support activities as a purpose of part E (projects of national significance).

#### **SEC. 502. GRANT AUTHORITY.**

Subsection (a) amends section 162(a) of the Act to add, as a specified purpose for projects of national significance, activities to address the support needs of families of children with disabilities through systemic change activities, technical assistance, research and evaluation, and other initiatives designed to assist in the development and implementation, or expansion and enhancement, of services that are family-centered and family-directed, culturally competent, community-centered, and comprehensive.

~~Subsection (b) amends section 162(a)(1)(C) (concerning technical assistance) to specify that the Secretary shall not provide technical assistance to a State DD council, State PAS, or UAF for the same purpose under both this section and any of the new set aside authorities under sections 130(b), 143(b)(1), and 154(b).~~

Subsection (c) amends section 162(a)(2) to clarify that the nationally significant initiatives funded under that provision include demonstrations (not research); to replace the term

"supportive living" with "community living"; and to eliminate language limiting the meaning of quality of life opportunities.

Subsection (dc) repeals section 162(b), the completed requirement for a special study to investigate the expansion of activities under part B to address the needs of individuals with severe disabilities other than DD.

Subsection (ed) adds a new section 162(b), providing authority for the Secretary to enter into interagency agreements with other Federal agencies to carry out activities under subsection (a) or to jointly carry out activities of common interest related to the purposes of subsection (a). For such purposes the Secretary is authorized to transfer funds appropriated under this part to such other agencies, and to receive and use funds from such agencies.

#### **SEC. 503. AUTHORIZATION OF APPROPRIATIONS; ~~RESERVATION AND USE OF FUNDS BY SECRETARY.~~**

This section amends section 163 of the Act to authorize appropriations of \$10,250,000 for FY 2000 and such sums as may be necessary for each of FYs 2001 through 2004. ~~This section also provides that the Secretary, before making, to be used to make grants under section 162, shall set aside not more than 2 percent for each fiscal year, which the Secretary shall use (in addition to amounts available from appropriations for salaries and expenses) for costs of monitoring and other administrative activities relating to~~ and for the costs (other than compensation of Federal employees) of the Administration on DD for administering parts B, C, D, and E. ~~As under current law, not less than the greater of 8 percent of appropriations under this section or,~~ including monitoring grantee performance and providing technical assistance to grantees. Section 163 as amended retains the provisions of current law (1) requiring that not less than \$300,000 must be used for technical assistance to State DD Councils, ~~PASP~~&A systems, and ~~UAFs~~UAPs; and (2) providing that technical assistance for P&A Systems may not be provided with funds under both this section and section 143.

#### **TITLE VI—EFFECTIVE DATE**

##### **SEC. 601. EFFECTIVE DATE.**

This section provides that, except as otherwise specifically provided, the amendments made by the bill shall be effective with respect to programs and activities under the Act on and after October 1, 1999.

NOTE FOR JEFF  
FROM: MAYRA  
DATE: APRIL 22, 1999  
RE: HHS REPORT AND TRANSMITTAL LETTER ON ALLOTMENT FORMULA  
OF THE DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF  
RIGHTS ACT

What we have from before is on one of the three focus areas - - independent living, education and employment - - of the Developmental Disabilities Assistance and Bill of Rights Act. What you reviewed in the past was on special education and the Individual with Disabilities Education Improvement Act of 1996, where the Administration was proposing to cap funds for PR at the FY95 percentage in changing the formula for special education funds from one based on disabled children to one that based funding increases on overall population.

Regarding this document, the proposed changes to the current allotment formula sound good since they treat PR as a State receiving both base funding and formula funding. However, if I'm reading it correctly (see tables that I marked), PR will receive less funding under the new formula.????

2F w/w

Total Pages: \_\_\_\_\_

LRM ID: MDH59

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503-0001

Wednesday, April 21, 1999

URGENT

LEGISLATIVE REFERRAL MEMORANDUM

**TO:** Legislative Liaison Officer - See Distribution below

**FROM:** Janet R. Forsgren (for) Assistant Director for Legislative Reference

**OMB CONTACT:** Melinda D. Haskins  
PHONE: (202)395-3923 FAX: (202)395-6148

**SUBJECT:** **HEALTH & HUMAN SERVICES Report and Transmittal Letter on Allotment Formula under Parts B and C of the Development Disabilities Assistance and Bill of Rights Act**

**DEADLINE:** 2 PM Monday, April 26, 1999

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

**COMMENTS:** HHS has requested expedited clearance of this report.

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**LRM ID:** MDH59      **SUBJECT:** HEALTH & HUMAN SERVICES Report and Transmittal Letter on Allotment Formula under Parts B and C of the Development Disabilities Assistance and Bill of Rights Act

---

**RESPONSE TO  
LEGISLATIVE REFERRAL  
MEMORANDUM**

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or

(2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

**TO:**                    Melinda D. Haskins Phone: 395-3923 Fax: 395-6148  
Office of Management and Budget  
Branch-Wide Line (to reach legislative assistant): 395-7362

**FROM:**             \_\_\_\_\_ (Date)  
                             \_\_\_\_\_ (Name)  
                             \_\_\_\_\_ (Agency)  
                             \_\_\_\_\_ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

\_\_\_\_\_ Concur

\_\_\_\_\_ No Objection

\_\_\_\_\_ No Comment

\_\_\_\_\_ See proposed edits on pages \_\_\_\_\_

\_\_\_\_\_ Other: \_\_\_\_\_

\_\_\_\_\_ FAX RETURN of \_\_\_\_\_ pages, attached to this response sheet

The Honorable Albert Gore, Jr.  
President of the Senate  
Washington, DC 20510

**DRAFT**

Dear Mr. President:

In accordance with Section 213 of P.L. 103-230, the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994, I am pleased to transmit the enclosed report to Congress on the allotment formula in effect under parts B (Federal Assistance to State Developmental Disabilities Councils) and C (Protection and Advocacy of Individual Rights) of the Developmental Disabilities Assistance and Bill of Rights Act (the DD Act). As required by section 213, the report includes recommendations for alternative formulas for allocating funds under those parts of the Act. ADD will use these recommendations as the basis for the upcoming reauthorization of the Act for Fiscal Year 2000.

The review and analysis of the current allotment formula identified two primary weaknesses. First, the minimum allotments and hold-harmless provisions require the formula to be calculated in an iterative manner, and result in sizable and unpredictable fluctuations in individual State allotments, unrelated to changes in appropriations, that make advance planning difficult. Second, the current statutory requirement to use numbers of individuals with developmental disabilities as a formula factor, while well-intended, results in skewing the distribution for several reasons. The Administration on Developmental Disabilities uses the data on numbers of children receiving supplemental security income (SSI), as the best available, but it is inappropriate and problematic for numerous reasons. The data are unavailable for the territories; changes in the SSI eligibility standards or definition of disability can affect DD Act funding distribution in unpredictable ways; and use of means-tested SSI numbers effectively disregards persons above its eligibility levels (and may even penalize States that have been most effective in placing individuals with DD in employment). Both of the weaknesses identified result in unpredictable fluctuations in State funding under the DD Act and in arbitrary and inequitable differences in funding levels among States.

The alternative formula proposed is easier to understand and to calculate, and would enable States to predict their DD Act funding levels with a high degree of accuracy and to plan accordingly. State grant allotments would consist of two main parts — base funding and formula funding. All States and territories would receive both base funding and formula funding. Any change to the allotment process would not eliminate the awarding of funds for an American Indian Consortium, pursuant to Section 142(b) of the DD Act.

The base funding would be a small percentage of the total amount appropriated for the programs concerned (the report suggests [.30 percent for State and territory Developmental Disabilities Councils, 0.65 percent for State Protection and Advocacy systems, and 0.50 percent for territory Protection and Advocacy systems] an amount in the range of .30 to .65 percent), which would be distributed in equal shares to each participating State and territory. The base funding would

Page 2 - The Honorable Albert Gore, Jr.

replace the current minimum allotments. These percentages were established to approximate current funding levels, thereby minimizing individual State gains and losses. The formula funding would consist of three tiers, each of which would distribute a specified percentage of the remaining appropriations for the program according to specified criteria. Of the remainder, 25 percent would be distributed on the basis of State population, and 70 percent on the basis of State population adjusted by per capita income (using the same adjustment methodology as under current regulations). The final 5 percent would be distributed on the basis of outcome measures (including numbers of individuals with developmental disabilities in educational or employment settings in the State).

The proposed formula was designed to be modular--each module or part could be replaced or changed without redesigning the entire formula. This would allow base funding percentages, percentage weights, or outcome measure factors to be changed to respond to changes in availability of funds or to reflect newly identified outcome measures.

The proposed formula would eliminate the use of minimum allotments, hold-harmless provisions, and the factor based on the number of persons with developmental disabilities. By eliminating these provisions, the formula would no longer need to be calculated in an iterative manner, which would make it simpler and easier to understand. Also, setting the base funding as a percentage of the total appropriation (rather than as specified dollar amounts) would eliminate the fluctuation in individual State allotments that now occurs independent of changes in appropriations. Instead, States would see changes in their allotments that are in proportion to national appropriations (e.g., a 10 percent increase in appropriations would cause a 10 percent increase in each State's allotment).

The developmental disabilities network and grantees in the field who had the opportunity to hear a presentation of the findings regarding this proposed formula viewed the changes as positive. We believe they would welcome modifications that resulted in a more equitable distribution of program funds and eliminated the substantial year-to-year fluctuations in State funding levels.

I am confident that you will find this report informative.

Sincerely,

Donna E. Shalala

Enclosure

**Study of Administration on Developmental Disabilities  
State Grants Formula**

**Final Report**

**Submitted to:**

**Administration on Developmental Disabilities  
Isadora Wills, Federal Project Officer**

**Contract No. 105-94-7013**

**K R A  
Corporation**

**Anthony E. Brinsko  
Robert F. Cook, Ph.D.  
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Joseph Kirchner, Ph.D.  
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**1010 Wayne Avenue  
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**April 1, 1996**

This document was prepared under Contract Number 105-94-7013 between the Department of Health and Human Services and KRA Corporation of Silver Spring, Maryland. The contents of this document do not necessarily reflect the views or policies of the Department, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. Government.

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## Executive Summary

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The Administration on Developmental Disabilities (ADD) funds two formula grant programs under the Developmental Disabilities Assistance and Bill of Rights Act, as amended—the Developmental Disabilities Council (DDC) Grant and the Protection and Advocacy (P&A) Grant. Congress mandated ADD to study the current State grants formula. KRA Corporation (KRA) reviewed and analyzed this formula and reported on these analyses in a January 1995 report. In a second phase of the study, KRA developed an alternative formula for ADD's review that responds to the complexities of the current formula. This report presents the work of this second phase.

The formula proposed is easy to understand and easy to calculate. State grant allotments would consist of two main parts—base funding and formula funding. All States and territories would receive both base funding and formula funding. The base funding is calculated as a percentage of national appropriations and is the same for all States. The formula funding is determined according to three factors, each of which has a weight or percentage share of the formula grant. Any change to the formula allotment process would not eliminate the awarding of funds for an American Indian Consortium, pursuant to Section 142(b) of the DD Act.

The formula that is being proposed as an alternative for adoption by ADD would allot DDC and P&A funds to all States and territories in the following manner:

- (1) Each State would receive base funding defined as a percentage of the national appropriations (0.30 percent for State and territory DDCs, 0.65 percent for State P&As, and 0.50 percent for territory P&As).
- (2) In addition, each State would receive funds distributed by the new formula according to each State's population (at .25-percent weight), State population adjusted by per capita income (at .70-percent weight), and State outcomes for people with developmental disabilities (at .05-percent weight).

The new formula is modular and the weights for each factor could be changed to reflect changes in national appropriations or national and State program goals. Initially, weights and base percentages can be set at levels to allow funding levels to approximate the old formula and minimize individual State gains and losses. Other outcome measures, such as information from the ADD Management Information System (MIS), could be substituted for Department of Education and Department of Labor data used in the formula. Such modularity allows ADD to phase in new outcome measures over time, as well as to change their weight in the formula.

The new formula eliminates the use of minimum allotments and hold-harmless provisions. By doing this, the new formula no longer needs to be calculated in an iterative manner making it simple and easy to understand. Also, setting the base funding as a percentage of the national appropriations eliminates the fluctuation in individual State allotments that were due to changes in minimum allotments independent of appropriations changes. Finally, States will now see changes in their allotments that are equal in proportion to changes in national appropriations (e.g., a 10-percent increase in appropriations would cause a 10-percent increase in all individual State allotments).

# Study of Administration on Developmental Disabilities State Grants Formula

## Final Report

### 1.0 Introduction

---

The Administration on Developmental Disabilities (ADD) is located within the Administration for Children and Families, Department of Health and Human Services. Among its activities are ADD's two formula grant programs—the Developmental Disabilities Council (DDC) Grant and the Protection and Advocacy (P&A) Grant. State programs had perceived what they believed were several anomalies in grant allotments over time. States (unless noted, States always refers to States and territories) could not relate increases or decreases in their individual allotments to similar or proportionate changes in national appropriations. Even in years with level appropriations, State program allotments increased or decreased from the previous year. More importantly, States could not use the formula to predict future funding because of the complexity of the formula and its computation.

Congress mandated that ADD study the current State grants formula. KRA Corporation (KRA) was awarded the contract to review and analyze the ADD State grants formula and to develop alternative funding formulas. This study was conducted in two phases. The first phase, completed in January 1995, involved a study of the current grant formula. In the second phase, alternatives to the current formula were developed that respond to the complexities of the current formula. This report presents the work of this second phase.

The report recommends a formula that is noniterative and simple to calculate. State allotments will consist of two main parts—base funding and formula funding. All States and territories will receive both base funding and formula funding. The base funding is calculated as a percentage of national appropriations and is the same for all States. The formula funding is determined according to three factors, each of which has a weight representing a percentage share of the formula grant. Any change to the formula allotment process would not eliminate the awarding of funds for an American Indian Consortium, pursuant to Section 142(b) of the DD Act. Exhibit 1 presents a diagram representing how the new State allotments are determined.

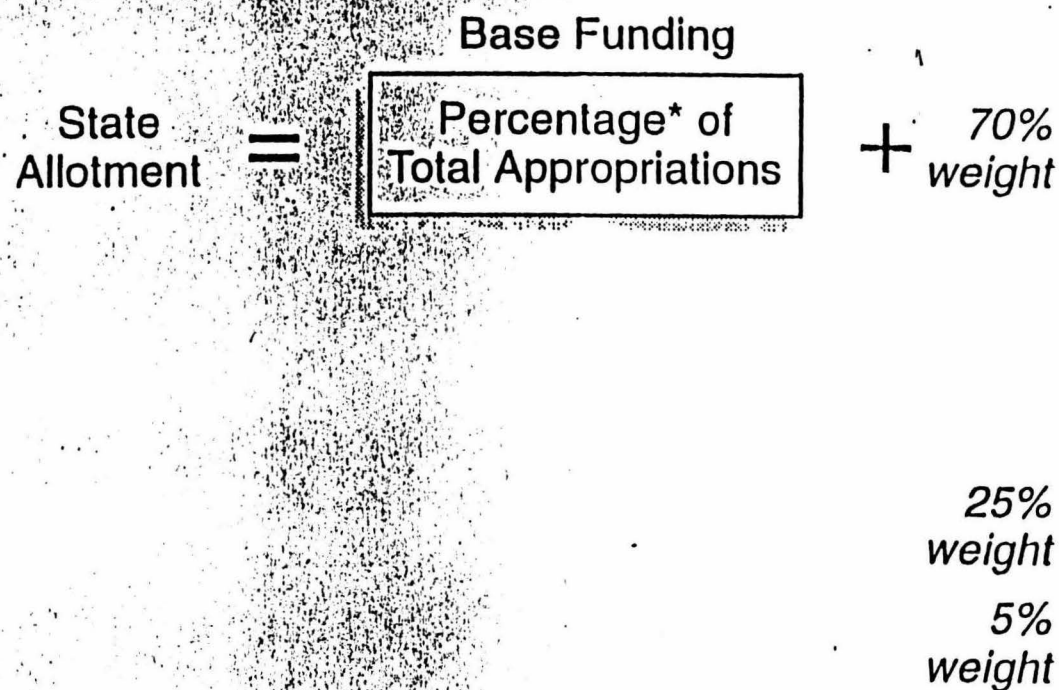
The new formula was designed to be modular—each module or part can be replaced or changed without redesigning the entire formula. This will allow base funding percentages, percentage weights, or outcome measure factors to be changed to respond to changes in national appropriations or to reflect newly identified outcome measures. The proposed new formula can be summarized as follows:

- (1) The base funding, which replaces the minimum allotment, is given equally to all States. The base funding is a percentage of the total national appropriations that increases and decreases in proportion to changes in the total appropriations. (Proposed base funding percentages are 0.30 percent for State and territory DDCs, 0.65 percent for State P&As, and 0.50 percent for territory P&As.)

## Exhibit 1

## Proposed New Calculation of State Allotments

## Formula Funding



\* The proposed base funding percentage for State and territory DDCs is 0.30 percent; for State P&As, it is 0.65 percent; and for territory P&As, it is 0.50 percent.

- 
- (2) The formula funding distributes the remaining funds to each State according to three factors:

- State population factor (at 0.25 weight)
- State population adjusted by State per capita income factor (at 0.70 weight)
- Outcome measures factor (at 0.05 weight)

Section 2 provides a brief summary of the current formula and Phase I findings. Section 3 discusses the changes to the current formula that KRA considered. Section 4 provides simulated allotments using the proposed new formulas. Section 5 summarizes the conclusions of this study. Appendix A in this report contains detailed descriptions of the methodology and full summary tables of simulated State allotments according to the proposed formula alternatives.

## 2.0 Description of Current Formula

The current formula, as directed by the Developmental Disabilities Assistance and Bill of Rights Act (the Act) (Public Law 103-230), determined State allotments based on the following factors:

- State population
- Extent of need of services for persons with developmental disabilities
- Financial need of the States

Data sources available when the formula was first designed were selected to approximate the following factors:

- (1) Census data and annual intercensile estimates were used to determine State and territory populations.
- (2) The extent of need of services for persons with developmental disabilities was not available directly. Instead, the relative need for services of persons with developmental disabilities was determined by the number of persons receiving benefits under the Childhood Disabilities Beneficiary Program (CDBP) from the Social Security Administration (SSA). Because the benefits are not available in the territories, SSA developed estimates for the territories.
- (3) The financial need of States was determined by using a 3-year average of State per capita income (PCI) as calculated by the Bureau of Labor Statistics, U.S. Department of Labor.

State allotments were directly related to State population and CDBP recipients (allotments increased with increasing population and CDBP beneficiaries) and inversely related to PCI (allotments decreased in States with PCIs above the national average). The current State grants formula is complex with multiple factors, minimum allotments, and hold-harmless provisions. Appendix A provides a detailed description of the current formula, including how it is calculated.

---

According to the Act, States cannot receive grants less than a legislated minimum (a fixed amount, \$420,475 for State DDCs and \$256,983 for State P&As in FY 1995) or less than they received in 1992 or 1993 (referred to as the hold-harmless minimum). If any of the States' allotments are less than the larger of the minimum and hold-harmless amounts, the difference is subtracted from the national appropriations and set-aside for that State. Using the reduced national appropriations, the allotments are recalculated using the formula. However, because the national appropriations are reduced, more States' allotments may fall below the minimums after this recalculation. This process is repeated until none of the allotments fall below the minimum or hold-harmless amounts. The complicated processes of determining factor data and calculating the allotments in this manner have prevented States from being able to understand how allotments are determined.

## **2.1 Review of the Current Formula**

---

KRA examined State allotment data for fiscal year (FY) 1988 through FY 1994. Analyses of these data resulted in the following findings:

- State population is the most important factor in determining the initial level of State allotments—States generally receive funds in proportion to their State population. Because State populations are relatively stable, this factor does not cause much year-to-year variation in State allotments.

- Minimum allotments are the most important factor in determining the level of allotments for small-population States and territories—Simulations of the current formula, with the minimum allotments removed, produced very large reductions in allotments to small-population States and territories and smaller increases to large-population States receiving grants above the minimums.

- Minimum allotments have the greatest effect on changes in State allotments from year to year—This occurred because the legislated minimum allotment amounts grew faster than, and changed independently of, growth in total national appropriations. When minimum allotments were increased, a greater share of national appropriations was used to satisfy minimum allotments, and the amount of funds allotted based on State population, the number of recipients of CDBP, and PCI was correspondingly reduced. Therefore, States receiving allotments above the minimum allotments received percentage increases in grants smaller than increases in national appropriations.

- Hold-harmless minimums did not affect State grant allotments except in years following decreases in national appropriations—This occurred because, with increasing appropriations, all States received larger grants and the hold-harmless amount (defined as the allotment received in a previous year) would not come into effect. This occurred in only 1 year in the period 1988 to 1994.

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### 3.0 Conceptualizing a New Formula

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A second objective of this project was to develop an alternative State grants formula that addresses the shortcomings of the current formula identified in the analyses described above. In addition, KRA explored options for introducing State outcome measures into the funding formula that reflect ADD's national objectives for the DDC and P&A programs. Given the findings summarized in Section 2.2, KRA developed and examined possible formula alternatives according to the following guidelines:

- **A new formula should be simple**—Making the new formula simpler to calculate will also make it easier for State programs to understand and predict future allotments.

- **A new formula must be fair**—The new formula should attempt to incorporate the original directives of the legislation and allot funds based on State population, level of need for services, and State financial resources.

- **A new formula must be stable**—Large fluctuations and adjustments in State allotments that occurred in the past because of changes in minimum allotments should be limited. In addition, States should be able to receive changes in allotments proportionate to changes in national appropriations.

- **A new formula should incorporate outcome measures**—The Government Performance and Results Act of 1993 requires Federal agencies to refocus national planning and program strategies on program performance and community outcomes. ADD has maintained national goals for its programs in the areas of employment, housing, and education. The new formula should attempt to provide an incentive for States to meet State and national goals.

An additional guideline was used in developing a new formula. The projected allotments under the alternative formulas were compared to the allotments under the current formula. Selected for further examination were formulas that minimize changes from FY 1995 allotments.

Part of exploring alternative formulas includes examining alternative data sources for current or proposed formula factors. In order to be appropriate for use in a national funding formula, data sources should meet the following criteria:

- **Comprehensive**—Similar data should exist for all States and territories.

- **Stable**—Data or estimates should be collected using the same methods and definitions each year.

- **Periodic**—Data should be available on a regular (e.g., annual, biennial, or biannual) basis.

- **Independent**—If possible, data should be derived from sources that are independent of State programs and collected objectively.

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### 3.1 Components of a New Formula

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The current formula was first examined to determine if it could be adapted or altered to address the issues that originally motivated the study. The following are four key changes made to the formula:

- Substitute base funding for minimum allotments.
- Eliminate the hold-harmless provisions.
- Eliminate the population adjusted by the number of people with developmental disabilities factor.
- Introduce outcome measures.

In considering alternatives to current formula factors, selected measures were purposely chosen for which data meeting the criteria in Section 3.0 were readily available. In addition, the formula was simplified by converting it to a modular construction. Exhibit 1 shows how the formula was designed in pieces, or "modules," that can be altered or removed separately without requiring major redesign of the formula. This is unlike the current formula, which does not easily permit changes. Also, this proposed modular design eliminates the need for complex iterative calculations. By calculating the formula in separate components or modules, future changes can be made in base percentage or outcome measures without necessitating a redesign of the formula. For example, outcome measures can be replaced or additional ones added as new data sources develop, ADD MIS data become available, or ADD goals change. Simple changes in weights of factors can now be made without altering formula programming. In addition, allotments can be calculated within a simple spreadsheet on a personal computer without the need for advanced mainframe programming.

### 3.2 Introduction of Base Funding

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The analysis of the current formula revealed that the minimum allotments, which are legislatively determined, are very influential in the distribution of national appropriations and make the allotment formula difficult to compute. Also, the hold-harmless provisions, although they had very little impact except in years following a decrease in appropriations, further complicate the formula allotments. To address these issues, it is proposed that the minimum allotments be replaced by base funding and that the hold-harmless provisions be eliminated entirely.

The base funding would be the base amount every State and territory would receive, in addition to the other formula funding. State and territory base funding could be set at different levels, but each would be a *percentage of the total appropriations*. For example, the DDC base funding would be set at 0.30 percent of the national appropriations. If the national appropriations are \$100 million, each State's DDC base funding would be \$300,000; if the national appropriations are \$50 million, the base funding would be \$150,000. In addition to the base funding, every State would receive funds based on State population and PCI as determined by the new formula.

Using base funding instead of a statute-mandated minimum accomplishes two objectives. First,

because the base funding is set as a percentage of total appropriations, each State will experience the same percentage increase and decrease in their allotments resulting from changing appropriations. In other words, a 10-percent increase in national appropriations would increase each State allotment by 10 percent. (Under the current formula, a 10-percent decrease would affect States differently because of minimum allotments.) Second, because the base funding would be awarded before using the formula to allot the remaining appropriations, the iterative process would be eliminated from the allotment calculation, making the formula easier to use and understand.

### **3.3 Population Factor**

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The proposed new formula will continue to use State population as one of the factors to determine allotments. Keeping population as a formula factor will also serve to retain consistency in allotment levels between one formula and the next. In addition, accurate and periodic intercensile estimates of State and territory populations continue to be readily available from the Bureau of the Census.

### **3.4 Number of Persons With Developmental Disabilities (CDBP Factor)**

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The new formula eliminates the use of the number of CDBP recipients for determining State allotments for a number of reasons. First, CDBP benefits are distributed differently in the States than in the territories. Second, the number of recipients of CDBP may not be an accurate measure of the number of persons with developmental disabilities. Because of income requirements, many persons with developmental disabilities do not receive CDBP. Third, using the number of CDBP recipients as a factor in the formula could penalize States that have removed significant barriers to employment for persons with disabilities because receipt of CDBP is determined by an individual's income. Fourth, changes in SSI eligibility requirements would affect the estimates of the number of CDBP recipients. The removal from the formula of an unstable factor or one that could be changed arbitrarily over time would eliminate some of the instability that currently exists in the allotment levels, and no better source of data on the numbers of persons with developmental disabilities currently exists.

### **3.5 State Resources (PCI Factor)**

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The new formula includes a factor that consists of the State population adjusted by the ratio of the national per capita income (PCI) to the State per capita income. The per capita income data source is both reliable and consistent and remains the best proxy measure for State resources.

### **3.6 Outcome Measures**

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In an effort to reward States that are effectively addressing issues concerning persons with developmental disabilities, the new formula incorporates outcome measures. By incorporating outcome measures into the new funding formula, ADD can reward States relative to meeting State and national goals for outcomes for people with developmental disabilities. The Government Performance and Results Act of 1993 directs Federal agencies to establish policies and programs that focus on program performance and outcomes for people and communities. Outcome measures introduced into the new formula reflect ADD's focus areas of education and employment. The

modular structure of the formula allows for the introduction of new or additional outcome measures to be added later, including outcome data collected by the ADD management information system (MIS).

Multiple data sources were examined within ADD's national focus areas of independent living, education, and employment. Data identifying the percentage of each State's population of students with developmental disabilities who are enrolled in the public education system were obtained from the Department of Education's *Annual Report to Congress on the Implementation of The Individuals with Disabilities Education Act*. The percentage of each State's population with any disability that gained employment through the Employment Service was obtained from the Department of Labor's Employment and Training Administration's (ETA's) quarterly administrative report (9002 form). No adequate or comprehensive data sources measuring independent living status for people with developmental disabilities could be identified.

#### 4.0 Simulations of the New Formula

Simulations of the proposed new formula were performed using FY 1995 data to evaluate how allotments calculated by the new formula would compare to actual FY 1995 allotments. KRA examined 8,000 combinations of base percentages and factor weights to determine the best formula weights in order to minimize changes in State allotments compared to FY 1995 allotments. (This procedure, the sum of squared differences, is discussed further in Appendix A.)

In general, the simulations show that when the base percentages are set higher, small-population States tend to increase their allotments compared to the old formula and large-population States tend to receive smaller allotments. Conversely, when the base percentages are set lower, large-population States tend to receive larger allotments than currently; however, small-population States receive smaller allotments.

The following sections detail the results of simulations of proposed weights and base percentages, including an analysis of the effects on State allotments as compared to FY 1995 allotments. Simulation 1 represents the best approximation of FY 1995 State allotments. Simulations 2 through 5 demonstrate the effects of changing these proposed weights and base percentages. Each simulation used the same national appropriations for the DDC and P&A programs as FY 1995.

##### 4.1 Simulation 1: Best Approximation of FY 1995 Allotments

|                        |      |                                |       |
|------------------------|------|--------------------------------|-------|
| Population Weight:     | 0.25 | DDC State Base Percentage:     | 0.30% |
| Population/PCI Weight: | 0.70 | DDC Territory Base Percentage: | 0.30% |
| Outcomes Weight:       | 0.05 | P&A State Base Percentage:     | 0.65% |
|                        |      | P&A Territory Base Percentage: | 0.50% |

Exhibit A-2 in Appendix A summarizes the results of this simulation. The weights are listed in the

upper-left-hand corner. The population adjusted for per capita income weight is 0.70, the population weight is 0.25, and the combined outcomes weight is 0.05 (i.e., 0.025 for education and 0.025 for employment). The total appropriations, base percentages, and base allotments are to the right of the formula weights. The base funding equals the base percentages times the total appropriations. The State and territory base percentage was set to 0.30 percent for the DDCs. For the P&As, the base percentages for States and territories would be 0.65 and 0.50 percent, respectively.

The chart in Exhibit A-2 shows the percentage gains or losses for the DDCs for all States. The States are ordered by population and shaded separately for four groups. The first five are territories. The next 14 are States and the District of Columbia that received the minimum allotment in FY 1995. The next 38 are the medium-population States and Puerto Rico, and the last 8 are the large-population States. Exhibit A-2 (2) displays the same information for the P&As. Exhibit A-2 (3) charts the DDC grant allotments for the simulation compared with FY 1995 allotments for the DDCs. Exhibit A-2 (4) displays the same for P&As. Exhibit A-2 (5) lists each State and its FY 1995 and simulated allotments and percentage change.

In this simulation, the average loss and average gain in all States is kept to 3 percent for DDCs. Average loss for the P&As is 10 percent and average gain is 17 percent. For the DDCs the maximum gain by a State is 38 percent while the maximum loss is 25 percent. For the P&As, the maximum gain for a State is 39 percent, while the maximum loss is 22 percent. Despite these maximum losses and gains, Simulation 1 best approximates FY 1995 allotments using the simplified new formula. This option is simple (easy to calculate), fair (approximates FY 1995 allotments), and stable (base grants and State allotments rise and fall with national appropriations).

The following simulations explored changing different modules within the formula to examine the effects on State allotments.

#### 4.2 Simulation 2: Elimination of the Per Capita Income Factor

|                        |      |                                |       |
|------------------------|------|--------------------------------|-------|
| Population Weight:     | 0.95 | DDC State Base Percentage:     | 0.30% |
| Population/PCI Weight: | 0.00 | DDC Territory Base Percentage: | 0.30% |
| Outcomes Weight:       | 0.05 | P&A State Base Percentage:     | 0.65% |
|                        |      | P&A Territory Base Percentage: | 0.50% |

The second simulation uses the Simulation 1 base percentages but eliminates the population adjusted by the per capita income factor from the formula by assigning it a weight of zero. After allotting funds for the base funding, this formula allots funds based only on State population and outcome measures.

Exhibits A-3 and A-3 (2) present the percentage loss and gain for all States (compared to FY 1995) eliminating the population/PCI factor and using Simulation 1 base percentages. Exhibits A-3 (3) and A-3 (4) compare Simulation 2 allotments with FY 1995 allotments. Exhibit A-3 (5) provides data for individual States for this simulation.

In this simulation, the average loss in all States is 13 percent and the average gain is 14 percent for the DDCs. For the P&As, the average loss is 9 percent and the average gain is 19 percent. For the DDCs, the maximum gain by a State is 37 percent, while the maximum loss to a State is 60 percent. For the P&As, the maximum gain for a State is 46 percent, while the maximum loss to a State is 53 percent. Removing the PCI factor from the formula decreases allotments to States with PCIs lower than the U.S. average.

#### 4.3 Simulation 3: Elimination of the Base Funding

|                        |      |                                   |
|------------------------|------|-----------------------------------|
| Population Weight:     | 0.25 | DDC State Base Percentage: 0%     |
| Population/PCI Weight: | 0.70 | DDC Territory Base Percentage: 0% |
| Outcomes Weight:       | 0.05 | P&A State Base Percentage: 0%     |
|                        |      | P&A Territory Base Percentage: 0% |

The third simulation uses the Simulation 1 weights and eliminates the base funding. This allows the formula to assign all DDC and P&A appropriations according to the formula without using base funding.

Exhibits A-4 and A-4 (2) present the percentage loss and gain for all States when the base funding is eliminated. Exhibits A-4 (3) and A-4 (4) compare the Simulation 3 allotments with FY 1995 allotments. Exhibit A-4 (5) provides data for individual States for this simulation.

In this simulation, the average loss for the DDCs in all States is 40 percent and the average gain is 8 percent. For the P&As, the average loss is 63 percent and the average gain is 15 percent. For the DDCs, the maximum gain by a State is 20 percent, while the maximum loss to a State is 95 percent. For the P&As, the maximum gain for a State is 30 percent, while the maximum loss to a State is 97 percent. Removing the base funding from the formula favors the large- and medium-population States and decreases allotments to small States and territories. Small States and territories lose an average of 56 percent of their DDC grants and an average of 70 percent of their P&A grants.

#### 4.4 Simulation 4: High Base Funding

|                        |      |                                      |
|------------------------|------|--------------------------------------|
| Population Weight:     | 0.25 | DDC State Base Percentage: 0.50%     |
| Population/PCI Weight: | 0.70 | DDC Territory Base Percentage: 0.35% |
| Outcomes Weight:       | 0.05 | P&A State Base Percentage: 0.90%     |
|                        |      | P&A Territory Base Percentage: 0.55% |

The fourth simulation uses base percentages higher than Simulation 1 but keeps the factor weights

the same. This simulation would allot more funds to the base funding, reducing the amount of funds that are distributed by the formula.

Exhibits A-5 and A-5 (2) present the percentage loss and gain for DDCs and P&As for all States with higher base grant percentages. Exhibits A-5 (3) and A-5 (4) compare the Simulation 4 allotments with FY 1995 allotments. Exhibit A-5 (5) provides data for individual States for this simulation.

In this simulation, the average loss for the DDCs in all States is 10 percent and the average gain is 21 percent. For the P&As, the average loss is 18 percent and the average gain is 17 percent. For the DDCs, the maximum gain by a State is 60 percent, while the maximum loss to a State is 19 percent. For the P&As, the maximum gain for a State is 44 percent, while the maximum loss to a State is 21 percent. Increasing the size of the base funding favors the territories and small-population States by allotting more funds to the base funding and reducing the amount of funds that are allotted based on the formula factors. This would decrease the allotments received by States with larger populations that benefit from a pure population-based distribution.

#### 4.5 Simulation 5: Elimination of the Outcomes Factor

|                        |      |                                      |
|------------------------|------|--------------------------------------|
| Population Weight:     | 0.26 | DDC State Base Percentage: 0.30%     |
| Population/PCI Weight: | 0.74 | DDC Territory Base Percentage: 0.30% |
| Outcomes Weight:       | 0.00 | P&A State Base Percentage: 0.65%     |
|                        |      | P&A Territory Base Percentage: 0.50% |

The fifth simulation uses the Simulation 1 base percentages but eliminates the use of outcome measures as a factor in the formula by assigning it a weight of zero. The 0.05 outcome weight was redistributed proportionately to the population and population-PCI factors. This simulation was conducted to show the effect on allotments of introducing outcome measures into the formula.

Exhibits A-6 and A-6 (2) present the percentage loss and gain for all States based on eliminating the outcome measure factor. Exhibits A-6 (3) and A-6 (4) compare the Simulation 5 allotments with FY 1995 allotments. Exhibit A-6 (5) provides data for individual States for this simulation.

The average loss and average gain to all States are the same as in Simulation 1 for DDCs and P&As. This means that the overall effect of introducing an outcome measures factor at 5 percent is minimal. As additional outcome indicators are identified or developed, the weight of the outcomes factor could be increased over time at the discretion of ADD.

#### 4.6 Decreased National Appropriations

All preceding simulations used FY 1995 data. Should the DDC and P&A programs experience funding decreases in the future, all States would experience major changes in their allotments compared to FY 1995 allotments. One feature of the use of base funding compared to the current

legislated minimum allotments is that all States would experience these decreases in the same proportion. Because the base funding is a percentage of the national appropriations (unlike the current legislatively determined fixed minimum allotment), base funding would rise and fall in proportion to changes in national appropriations. The formula allots the remaining funds (the total appropriations minus the base funding for all States) according to the same factors and weights. This means that if national appropriations decrease 10 percent, all States would receive allotments 10 percent smaller than the ones they would have received with the proposed new formula and current appropriations.

Exhibit 2 lists each State's DDC and P&A allotment according to the proposed new formula, using Simulation 1 weights (population at 0.25, PCI-adjusted population at 0.70, and outcomes at 0.05), and national appropriations at current amounts and at 50 percent of current amounts. Calculating allotments on half current appropriations, the proposed new formula reduces all State grants by 50 percent.

## **5.0 Summary and Conclusions**

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The formula that is being proposed as an alternative for adoption by ADD would allot DDC and P&A funds to all States and territories in the following manner:

- (1) Each State would receive base funding defined as a percentage of the national appropriations (0.30 percent for State DDC, 0.30 percent for territory DDC, 0.65 percent for State P&A, and 0.50 percent for territory P&A).
- (2) In addition, each State would receive funds distributed by the new formula according to its State population (at 0.25 weight), PCI-adjusted State population (at 0.70 weight), and State outcomes for people with developmental disabilities (at 0.05 weight).

The new formula is modular and the weights for each factor could be changed to reflect changes in national appropriations or national and State program goals. Initially, weights and base percentages can be set at levels to allow funding levels to approximate the old formula and minimize individual State gains and losses. Other outcome measures, such as information from the ADD Management Information System (MIS), could be substituted for Department of Education and Department of Labor data used in the formula. Such modularity allows ADD to phase in new outcome measures over time, as well as to change their weight in the formula.

The new formula would eliminate the use of a minimum allotment and hold-harmless minimum. This proposed formula is much simpler in structure and calculation than the current formula and is easy to calculate within a spreadsheet on a personal computer. It also eliminates the iterative process used to calculate the current formula.

Exhibit 2

Proposed Formula State DDC and  
P&A Allotment Compared to a 50-Percent  
Reduction

| State | S/T | Proposed Formula<br>with a 50%<br>Reduction in<br>Appropriations |                        | Proposed Formula<br>with full 1995<br>Appropriations |                        | Percent Difference |                  |
|-------|-----|------------------------------------------------------------------|------------------------|------------------------------------------------------|------------------------|--------------------|------------------|
|       |     | DDC Grant<br>Allotment                                           | P&A Grant<br>Allotment | DDC Grant<br>Allotment                               | P&A Grant<br>Allotment | DDC<br>Allotment   | P&A<br>Allotment |
| AK    | S   | \$164,760                                                        | \$102,302              | \$329,521                                            | \$204,604              | -50.00%            | -50.00%          |
| AL    | S   | \$628,380                                                        | \$234,275              | \$1,256,760                                          | \$468,551              | -50.00%            | -50.00%          |
| AR    | S   | \$421,044                                                        | \$175,255              | \$842,088                                            | \$350,511              | -50.00%            | -50.00%          |
| AZ    | S   | \$564,345                                                        | \$216,047              | \$1,128,689                                          | \$432,094              | -50.00%            | -50.00%          |
| CA    | S   | \$3,241,913                                                      | \$978,241              | \$6,483,825                                          | \$1,956,482            | -50.00%            | -50.00%          |
| CO    | S   | \$476,339                                                        | \$190,996              | \$952,678                                            | \$381,991              | -50.00%            | -50.00%          |
| CT    | S   | \$398,124                                                        | \$168,731              | \$796,247                                            | \$337,462              | -50.00%            | -50.00%          |
| DC    | S   | \$158,351                                                        | \$100,478              | \$316,702                                            | \$200,955              | -50.00%            | -50.00%          |
| DE    | S   | \$177,622                                                        | \$105,963              | \$355,244                                            | \$211,926              | -50.00%            | -50.00%          |
| FL    | S   | \$1,572,248                                                      | \$502,956              | \$3,144,497                                          | \$1,005,912            | -50.00%            | -50.00%          |
| GA    | S   | \$877,025                                                        | \$305,055              | \$1,754,050                                          | \$610,109              | -50.00%            | -50.00%          |
| HI    | S   | \$226,563                                                        | \$119,895              | \$453,126                                            | \$239,789              | -50.00%            | -50.00%          |
| IA    | S   | \$430,903                                                        | \$178,062              | \$861,806                                            | \$356,124              | -50.00%            | -50.00%          |
| ID    | S   | \$237,352                                                        | \$122,966              | \$474,704                                            | \$245,932              | -50.00%            | -50.00%          |
| IL    | S   | \$1,290,178                                                      | \$422,662              | \$2,580,355                                          | \$845,324              | -50.00%            | -50.00%          |
| IN    | S   | \$776,401                                                        | \$276,411              | \$1,552,801                                          | \$527,822              | -50.00%            | -50.00%          |
| KS    | S   | \$387,666                                                        | \$165,754              | \$775,332                                            | \$331,508              | -50.00%            | -50.00%          |
| KY    | S   | \$575,682                                                        | \$219,275              | \$1,151,364                                          | \$438,549              | -50.00%            | -50.00%          |
| LA    | S   | \$654,588                                                        | \$241,736              | \$1,309,176                                          | \$483,471              | -50.00%            | -50.00%          |
| MA    | S   | \$698,301                                                        | \$254,179              | \$1,396,602                                          | \$508,358              | -50.00%            | -50.00%          |
| MD    | S   | \$591,257                                                        | \$223,708              | \$1,182,514                                          | \$447,416              | -50.00%            | -50.00%          |
| ME    | S   | \$250,315                                                        | \$126,656              | \$500,631                                            | \$253,312              | -50.00%            | -50.00%          |
| MI    | S   | \$1,137,516                                                      | \$379,206              | \$2,275,032                                          | \$758,411              | -50.00%            | -50.00%          |
| MN    | S   | \$589,739                                                        | \$223,276              | \$1,179,478                                          | \$446,552              | -50.00%            | -50.00%          |
| MO    | S   | \$700,235                                                        | \$254,730              | \$1,400,470                                          | \$509,459              | -50.00%            | -50.00%          |
| MS    | S   | \$476,001                                                        | \$190,899              | \$952,001                                            | \$381,799              | -50.00%            | -50.00%          |
| MT    | S   | \$210,727                                                        | \$115,387              | \$421,454                                            | \$230,774              | -50.00%            | -50.00%          |
| NC    | S   | \$920,536                                                        | \$317,440              | \$1,841,073                                          | \$634,881              | -50.00%            | -50.00%          |
| ND    | S   | \$185,981                                                        | \$108,343              | \$371,963                                            | \$216,685              | -50.00%            | -50.00%          |
| NE    | S   | \$293,589                                                        | \$138,974              | \$587,179                                            | \$277,949              | -50.00%            | -50.00%          |
| NH    | S   | \$226,343                                                        | \$119,832              | \$452,685                                            | \$239,664              | -50.00%            | -50.00%          |
| NJ    | S   | \$810,438                                                        | \$286,100              | \$1,620,876                                          | \$572,200              | -50.00%            | -50.00%          |
| NM    | S   | \$314,661                                                        | \$144,973              | \$629,322                                            | \$289,945              | -50.00%            | -50.00%          |
| NV    | S   | \$247,233                                                        | \$125,779              | \$494,466                                            | \$251,557              | -50.00%            | -50.00%          |
| NY    | S   | \$1,907,915                                                      | \$598,507              | \$3,815,830                                          | \$1,197,013            | -50.00%            | -50.00%          |
| OH    | S   | \$1,370,713                                                      | \$445,587              | \$2,741,427                                          | \$891,175              | -50.00%            | -50.00%          |
| OK    | S   | \$512,669                                                        | \$201,337              | \$1,025,337                                          | \$402,674              | -50.00%            | -50.00%          |
| OR    | S   | \$448,558                                                        | \$183,087              | \$897,115                                            | \$366,175              | -50.00%            | -50.00%          |
| PA    | S   | \$1,441,955                                                      | \$465,867              | \$2,883,909                                          | \$931,733              | -50.00%            | -50.00%          |
| PR    | S   | \$1,048,130                                                      | \$353,761              | \$2,096,260                                          | \$707,522              | -50.00%            | -50.00%          |
| RJ    | S   | \$217,155                                                        | \$117,217              | \$434,310                                            | \$234,433              | -50.00%            | -50.00%          |
| SC    | S   | \$567,961                                                        | \$217,077              | \$1,135,921                                          | \$434,153              | -50.00%            | -50.00%          |
| SD    | S   | \$193,921                                                        | \$110,603              | \$387,842                                            | \$221,206              | -50.00%            | -50.00%          |
| TN    | S   | \$712,747                                                        | \$258,291              | \$1,425,494                                          | \$516,583              | -50.00%            | -50.00%          |
| TX    | S   | \$2,147,228                                                      | \$666,629              | \$4,294,457                                          | \$1,333,258            | -50.00%            | -50.00%          |
| UT    | S   | \$347,462                                                        | \$154,310              | \$694,923                                            | \$308,619              | -50.00%            | -50.00%          |
| VA    | S   | \$774,564                                                        | \$275,888              | \$1,549,127                                          | \$551,776              | -50.00%            | -50.00%          |
| VT    | S   | \$170,360                                                        | \$103,896              | \$340,720                                            | \$207,792              | -50.00%            | -50.00%          |
| WA    | S   | \$659,639                                                        | \$243,174              | \$1,319,278                                          | \$486,347              | -50.00%            | -50.00%          |
| WI    | S   | \$675,957                                                        | \$247,819              | \$1,351,913                                          | \$495,637              | -50.00%            | -50.00%          |
| WV    | S   | \$355,293                                                        | \$156,539              | \$710,586                                            | \$313,077              | -50.00%            | -50.00%          |
| WY    | S   | \$161,617                                                        | \$101,407              | \$323,234                                            | \$202,814              | -50.00%            | -50.00%          |
| AS    | T   | \$122,626                                                        | \$70,582               | \$245,252                                            | \$141,165              | -50.00%            | -50.00%          |
| GU    | T   | \$124,349                                                        | \$71,073               | \$248,698                                            | \$142,146              | -50.00%            | -50.00%          |
| NR    | T   | \$114,253                                                        | \$68,199               | \$228,507                                            | \$136,398              | -50.00%            | -50.00%          |
| PW    | T   | \$110,214                                                        | \$67,049               | \$220,427                                            | \$134,098              | -50.00%            | -50.00%          |
| VI    | T   | \$121,359                                                        | \$70,222               | \$242,719                                            | \$140,444              | -50.00%            | -50.00%          |
| ZI    | T   |                                                                  | \$65,752               |                                                      | \$131,504              |                    | -50.00%          |

---

Setting the base funding as a percentage of the national appropriations eliminates the fluctuation in allotments due to minimum changes that have historically been independent of appropriation changes.

In addition, States will now see changes in their allotments that are equal in proportion to changes in national appropriations (e.g., a 10-percent increase in appropriations would cause a 10-percent increase in *all* individual State allotments if all other factors remained the same).

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## Appendix A

### Formula Calculations and Simulations

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## Appendix A

### A.1 Current Formula

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The original allocations formula has two factors and is subject to two conditions. The two formula factors are listed below:

- Population adjusted by per capita income
- Population adjusted by the number of persons with developmental disabilities

The conditions are listed below:

- No State or territory may fall below the current specified minimum.
- No State or territory may fall below a hold-harmless amount.

The original formula can be summarized as follows:

$$Allotment_s = (\alpha * YP_s + \beta * DDP_s) * App$$

Subject to: No State receiving less than  $MIN_1$ ,  
no territory receiving less than  $MIN_2$ , and  
no State or territory receiving less than  $HH_s$ .

Where:

|                        |                                                                                                                                                                   |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allotment <sub>s</sub> | is the amount of money that State or territory S receives,                                                                                                        |
| $\alpha$               | is the weight attached to the population adjusted by per capita income factor ( $\alpha$ is two-thirds in the current formula),                                   |
| YP <sub>s</sub>        | is the population adjusted by per capita income factor for State or territory S,                                                                                  |
| $\beta$                | is the weight attached to the population adjusted by the number of persons with developmental disabilities factor ( $\beta$ is one-third in the current formula), |
| DDP <sub>s</sub>       | is the population adjusted by the number of persons with developmental disabilities factor for State or territory S,                                              |
| App                    | is the national appropriations,                                                                                                                                   |
| $MIN_1$                | is the fixed minimum for States,                                                                                                                                  |
| $MIN_2$                | is the fixed minimum for territories, and                                                                                                                         |
| HH <sub>s</sub>        | is the amount a State or territory received in a specified previous year.                                                                                         |

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### A.1.1 Population Adjusted by Per Capita Income

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The first factor—the State's population adjusted by per capita income—is calculated as follows:

$$YP_s = \frac{\left( \frac{NPCI}{SPCI_s} \right) * SPOP_s}{\sum_s \left[ \left( \frac{NPCI}{SPCI_s} \right) * SPOP_s \right]}$$

Where:

|                   |                                                        |
|-------------------|--------------------------------------------------------|
| NPCI              | is a 3-year average of the national per capita income, |
| SPCI <sub>s</sub> | is a 3-year average of the State per capita income,    |
| SPOP <sub>s</sub> | is the State population, and                           |
| Σ <sub>s</sub>    | is the sum across States.                              |

### A.1.2 Population Adjusted by the Number of Persons With Developmental Disabilities

---

The second factor in the formula—the State's population adjusted by the number of persons with developmental disabilities is calculated as follows:

$$DD_s = \frac{\left( \frac{CDBP_s}{WPOP_s} \right) * SPOP_s}{\sum_s \left[ \left( \frac{CDBP_s}{WPOP_s} \right) * SPOP_s \right]}$$

Where:

|                   |                                                                                |
|-------------------|--------------------------------------------------------------------------------|
| CDBP <sub>s</sub> | is the number of recipients of the Childhood Disabilities Beneficiary Program, |
| WPOP <sub>s</sub> | is the working population of the State,                                        |
| SPOP <sub>s</sub> | is the total population of the State, and                                      |
| Σ <sub>s</sub>    | is the sum across States.                                                      |

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### A.1.3 Weighting

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These factors are weighted in the original formula with the population adjusted by per capita income weight set at two-thirds and the population adjusted by the number of persons with developmental disabilities weight set at one-third as follows, subject to the currently legislated minimums and hold-harmless amount:

$$Allotment_i = \left( \frac{2}{3} \right) * App$$

For FY 1995, the minimum is \$420,475 for States and \$220,750 for territories for the DDCs. For the P&As, it is \$256,983 for States and \$137,485 for territories. For 1995, the hold-harmless amount was the greater of the amount that States and territories received in 1992 or 1993.

### A.1.4 The Iterative Process

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The two conditions (minimums and hold-harmless amounts) that the original formula is subject to require an iterative calculation procedure. This procedure includes the following steps:

- (1) Allocate funds to States according to the formula.
- (2) Determine whether the formula (and the distribution in step 6) allots amounts less than those specified by the minimum allotment and hold-harmless provisions.
- (3) If so, calculate the difference between the allotment and the greater of the minimum and hold-harmless amount.
- (4) Sum these differences.
- (5) Subtract this sum from the national allocation.
- (6) Distribute the sum according to the differences for the respective States and territories.
- (7) Repeat steps 1 through 6, using the remainder of the national allocation, until all State and territory allotments meet the minimum allotment and hold-harmless provisions in step 2.

---

## A.2 The Proposed New Formula

---

The proposed grants formula has four formula factors and base funding. The four formula factors are listed below:

- Population adjusted by per capita income
- Population
- A measure of education outcomes
- A measure of employment outcomes

The base funding is calculated as a percentage of the national appropriations. The formula can be summarized as follows:

$$\text{Allotment}_s = \text{Base Funding}_s \div \text{Formula Funding}_s$$

Where:

|                              |                                                                                                        |
|------------------------------|--------------------------------------------------------------------------------------------------------|
| Allotment <sub>s</sub>       | is the total allotment for State S,                                                                    |
| Base Funding <sub>s</sub>    | is a set percentage times the national appropriations as specified in Equation 6 in Section A.2.1, and |
| Formula Funding <sub>s</sub> | is specified by Equation 7 in Section A.2.2.                                                           |

### A.2.1 Base Funding

---

Base funding replaces the minimums in the original formula. They are calculated once, allotted to the States, and subtracted from the national appropriations. The formula funding is calculated using the remainder of the appropriation. This precludes the necessity of an iterative calculation.

Base funding is calculated by multiplying the fixed base percentage times the national appropriations as follows:

$$\text{Base Funding}_s = B * \text{App}$$

Where:

Base Funding<sub>s</sub> is the base amount for State or territory *s* for the particular program being calculated,  
 B is the base percentage for either States or territories, and  
 App is the national appropriations.

### A.2.2 Formula Funding

The formula funding is calculated as follows:

$$\text{Formula Funding}_s = (\alpha * YP_s + \beta * P_s + \gamma * OM_s) * A'_{pp}$$

Where:

Formula Funding<sub>s</sub> is the amount of money that State or territory *S* receives,  
 $\alpha$  is the weight attached to the population adjusted by per capital income factor,  
 $YP_s$  is the population adjusted by per capita income factor for State or territory *S*,  
 $\beta$  is the weight attached to the population factor,  
 $P_s$  is the population factor for State or territory *S*,  
 $\gamma$  is the weight attached to the outcome measures factor,  
 $OM_s$  is the outcome measures factor for State *S*, and  
 $App'$  is the national appropriations minus the base funding.

#### A.2.2.1 Calculation of Population Adjusted by Per Capita Income

The population adjusted by the per capita income factor is calculated as follows:

$$YP_s = \frac{\left( \frac{NPCI}{SPCI_s} \right) * SPOP_s}{\sum_s \left[ \left( \frac{NPCI}{SPCI_s} \right) * SPOP_s \right]}$$

Where:

$NPCI$  is a 3-year average of the national per capita income,  
 $SPCI_s$  is a 3-year average of the State per capita income,  
 $SPOP_s$  is the State population, and  
 $\sum_s$  is the sum across States.

---

### A.2.2.2 Calculation of Population Factor

---

The outcome measure factor can be summarized as follows:

$$P_s = \frac{SPOP_s}{NPOP}$$

Where:

SPOP<sub>s</sub> is the total population of the State, and  
NPOP is the national population.

---

### A.2.2.3 Calculation of Outcome Measure Factors

---

The outcome measure factor can be summarized as follows:

$$OM_s = a * ED_s + b * ES_s$$

Where:

OM<sub>s</sub> is the combined outcome measure,  
a is the weight for the education outcome measure,  
ED<sub>s</sub> is the education outcome measure,  
b is the weight for the employment outcome measure, and  
ES<sub>s</sub> is the employment outcome measure.

Both weights a and b are 50 percent to split evenly the effect of the outcome measures.

### Calculation of the Education Outcome Measure Factor

The enrollment percentage of children ages 6 through 17 served under the Individuals with Disabilities Education Act (IDEA) across all disabilities (which included specific learning disabilities, speech, and language impairments, mental retardation, serious emotional disturbances, multiple disabilities, hearing impairments, and orthopedic impairments) was calculated for each State. Data were obtained from the Department of Education's *Annual Report to Congress on the Implementation of The Individuals with Disabilities Education Act*. Data were reported for each State and territory.

The State's population weighted enrollment percentage was calculated by multiplying the enrollment percentage by the State population. The education outcome measure for each

State was calculated by dividing the State's population weighted enrollment percentage by the sum of the States' population weighted enrollment percentages as follows:

$$ED_s = \frac{\left( \frac{DD\ enrolled_s}{Total\ enrollment_s} \right) * SPOP}{\sum_s \left[ \left( \frac{DD\ enrolled_s}{Total\ enrollment_s} \right) * SPOP \right]}$$

Where:

DD enrolled,  
Total enrollment,  
 $\Sigma_s$

is the number of children ages 6 through 17 served under the Individuals with Disabilities Education Act (IDEA) across all disabilities in State S,  
is the total number of children enrolled in school in State S, and  
is the sum across States.

States that have a larger percentage of students enrolled with disabilities account for a larger proportion of the national figure and, therefore, receive larger allocations relative to their population size.

### Calculation of the Employment Outcome Measure Factor

For the new formula, employment data were obtained from the Department of Labor's Employment and Training Administrations's (ETA's) 9002 form. These data are submitted quarterly by each State and territory and are included in a quarterly report prepared by ETA.

These data were used to calculate the percentage of people with disabilities receiving employment through the Employment Service. The percentage was then multiplied by the State population. This figure was then divided by the sum of this figure across States to form the employment measure:

$$ES_s = \frac{\left( \frac{D\ receiving\ employment_s}{Total\ receiving\ employment_s} \right) * SPOP}{\sum_s \left[ \left( \frac{D\ receiving\ employment_s}{Total\ receiving\ employment_s} \right) * SPOP \right]}$$

Where:

$\Sigma_s$  is the sum across States.

States receive larger allocations relative to their population size for a high percentage of people with disabilities entering employment through the Employment Service.

### A.2.3 Weighting

These factors are weighted in the proposed formula with each of the factors given weight such that the weights in equations 7 and 13 sum to 1,  $\alpha + \beta + \gamma = 1$ .

### A.2.4 The Full Allotment Grants Equation

The base formula equation 6 and the formula grant equation 7 are combined through equation 5 to yield the following:

$$Allotment_s = (\alpha * YP_s + \beta * P_s + \gamma * OM_s) * [App - \Sigma_s (B_s * App)] \div B_s * App$$

## A.3 Statistic Used To Optimize the Formula Simulations

The primary criterion for designing the new formula is to minimize the change in allotments caused by the transition from the old formula. An objective measure of this criterion is the sum of squared losses and gains.

The sum of squared losses and gains was calculated to minimize the losses and gains that States and territories would experience under the new formula. Losses and gains are measured as the percentage loss or gain that a State's program would experience under the new formula compared to the old.

The sum of squared losses and gains multiplies the percentage losses and gains by itself. The effect is that the statistic counts large losses and gains more heavily than small losses and gains. In other words, it counts a 5 percent loss as .0025 and a 50 percent loss as .25. Although a 50 percent gain or loss is only 10 times larger than 5 percent, this statistic counts it as 100 times larger. Therefore, the minimization process works to reduce a loss in a State that lost 50 percent than a State that lost 5 percent in funding. Finally, the statistic sums the squared losses and gains (it adds .0025, .25, and all the other squared losses and gains). By summing these numbers, the statistic evaluates the joint effect on all States and territories that would lose funding. This single statistic summarizes the negative effects on State and territory allotments.

---

## A.4 Sensitivity Analysis

---

An infinite number of possible combinations of weights and base percentages could be used in the formula. The task was to find the combination of weights and base percentages that met the criterion of minimizing the sum of squared losses and gains.

Sensitivity analysis was used. The sum of squared losses and gains was calculated for all combinations of the weights and base percentages within certain ranges and limits. Twenty combinations of weights were considered. The weight for population adjusted for per capita income ranged from 0 to 95 percent, while the weight for population alone ranged from 95 to 0 percent, and the weight for performance measures was fixed at 5 percent (or 2.5 percent for each of the two performance measures). Weights were incremented 5 percent between simulations.

100 percent of the appropriation minus the base amounts has to be distributed. This requires that the weights add up to 100 percent. Consequently, as the weight for population adjusted by per capita income was incremented upward by 5 percent, the weight for population was decreased by 5 percent. Exhibit A-1 lists the 20 possible combinations of weights in this range.

For each of these combinations of weights, simulations were performed for 400 combinations of State and territory base percentages. These correspond to base percentages within the range of .00 and .95 percent, and each .05 percent interval within this range. A total of 8,000 combinations of weights and base percentages were calculated, and the combination that yielded the minimum sum of squared losses and gains for all States was chosen as the optimal simulation.

## A.5 Simulation Charts and Tables

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Exhibits A-2 through A-6 detail the results of the simulations discussed above. An explanation of the exhibits can be found in Sections 4.2 through 4.6.

## A.6 Population and Per Capita Income Chart

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Exhibit A-7 shows States' population and per capita income arranged in order of population. This exhibit can be used to examine the effects of the population adjusted by per capita income factor on State allotments. States with high per capita income, such as Connecticut, have a peak on the PCI line and tend to have allotments lower than the average for States of its size. States with low per capita income, such as Puerto Rico, have a trough on the PCI line and tend to have allotments higher than the average for States of its size.

Exhibit A-1

Combinations of Weights Considered

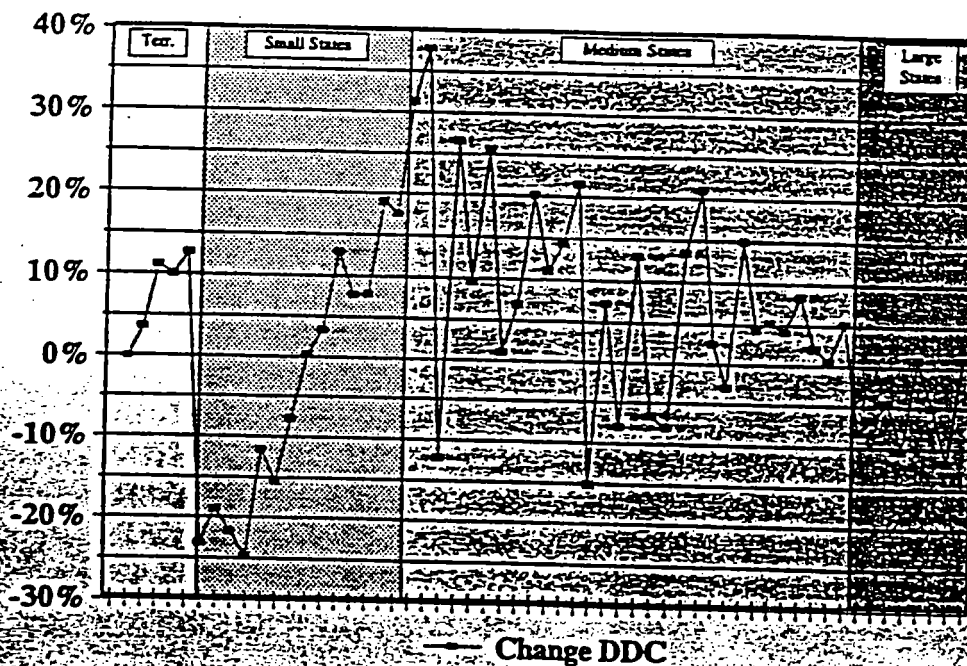
| Population Weight | Population Adjusted<br>by Per Capita<br>Income Weight | Performance<br>Measure Weight |
|-------------------|-------------------------------------------------------|-------------------------------|
| 95%               | 0%                                                    | 5%                            |
| 90%               | 5%                                                    | 5%                            |
| 85%               | 10%                                                   | 5%                            |
| 80%               | 15%                                                   | 5%                            |
| 75%               | 20%                                                   | 5%                            |
| 70%               | 25%                                                   | 5%                            |
| 65%               | 30%                                                   | 5%                            |
| 60%               | 35%                                                   | 5%                            |
| 55%               | 40%                                                   | 5%                            |
| 50%               | 45%                                                   | 5%                            |
| 45%               | 50%                                                   | 5%                            |
| 40%               | 55%                                                   | 5%                            |
| 35%               | 60%                                                   | 5%                            |
| 30%               | 65%                                                   | 5%                            |
| 25%               | 70%                                                   | 5%                            |
| 20%               | 75%                                                   | 5%                            |
| 15%               | 80%                                                   | 5%                            |
| 10%               | 85%                                                   | 5%                            |
| 5%                | 90%                                                   | 5%                            |
| 0%                | 95%                                                   | 5%                            |

Exhibit A-2

Simulation 1: Best Approximation of  
Fiscal Year 1995

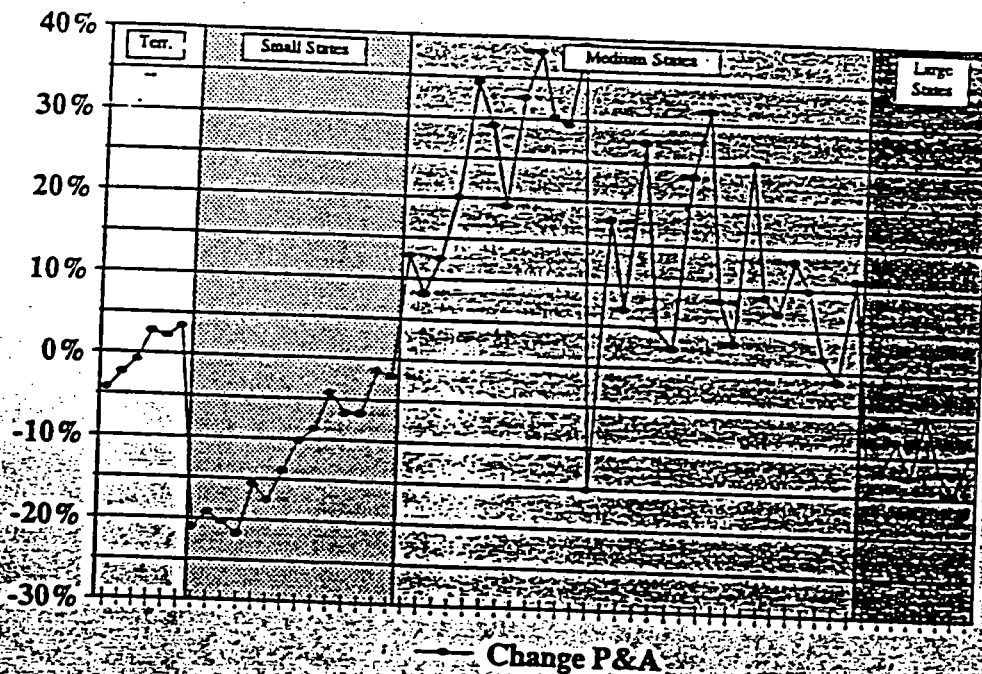
| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Percent Loss or Gain in Allotments



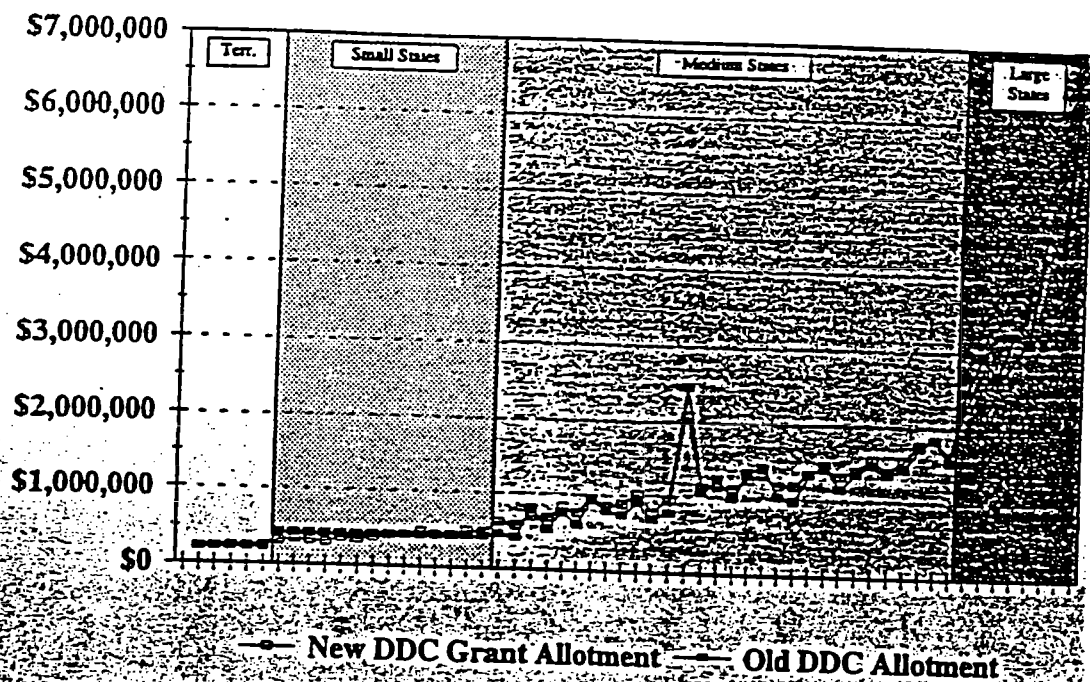
| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Percent Loss or Gain in Allotments



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Grant Allotments by Population



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

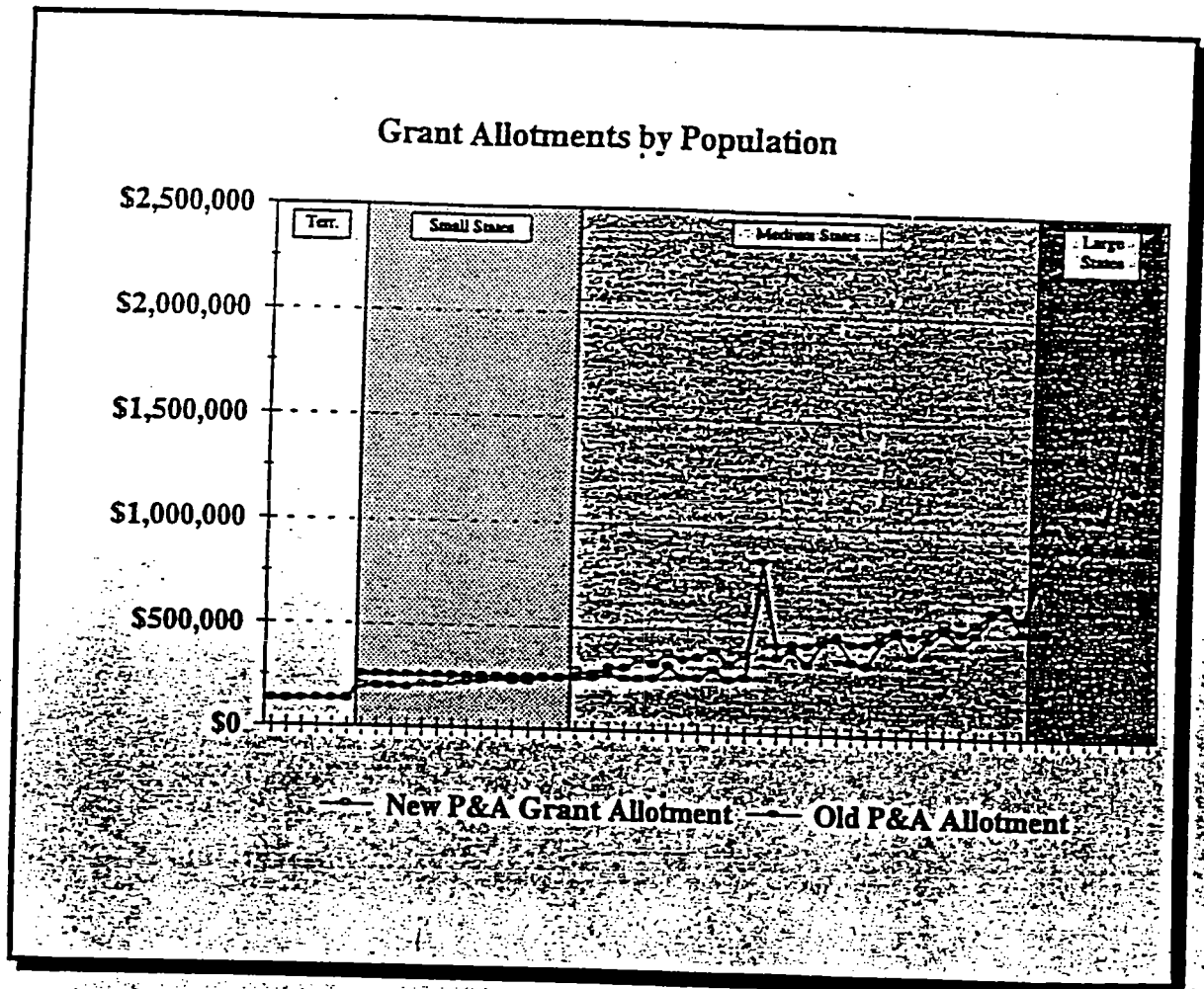


Exhibit A-2(5)

| Formula Parameters           |     | Formula Factors                    |              |              |
|------------------------------|-----|------------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                                    | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations               | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)          | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment               | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.)      | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment           | \$211,314    | \$131,504    |
| States                       | 52  | National Per Capita Income (FY 95) | \$19,317     | \$19,317     |
| Territories                  | 6   |                                    |              |              |

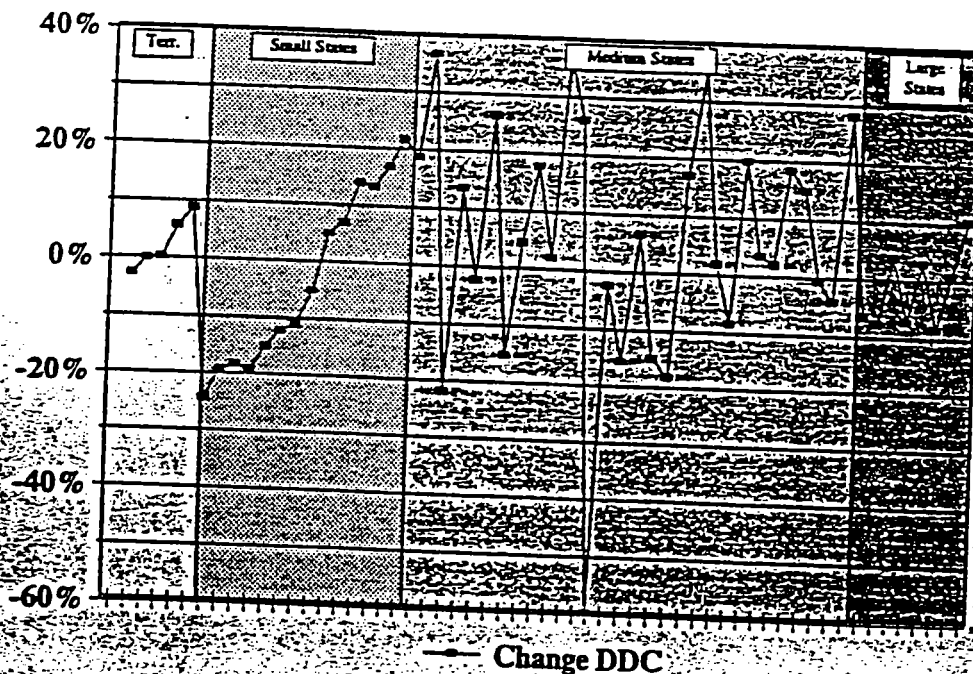
| State | S/T | New Formula            |                        | Old Formula            |                        | Pct. Difference<br>(New-Old) |                  |
|-------|-----|------------------------|------------------------|------------------------|------------------------|------------------------------|------------------|
|       |     | DDC Grant<br>Allotment | P&A Grant<br>Allotment | FY 95 DDC<br>Allotment | FY 95 P&A<br>Allotment | DDC<br>Allotment             | P&A<br>Allotment |
| AK    | S   | \$329,521              | \$204,604              | \$420,475              | \$256,983              | -21.63%                      | -20.38%          |
| AL    | S   | \$1,256,760            | \$468,551              | \$1,345,843            | \$447,562              | -6.62%                       | 4.69%            |
| AR    | S   | \$842,088              | \$350,511              | \$768,612              | \$261,077              | 9.56%                        | 34.26%           |
| AZ    | S   | \$1,128,689            | \$432,094              | \$998,958              | \$339,216              | 12.99%                       | 27.38%           |
| CA    | S   | \$6,483,825            | \$1,956,482            | \$6,423,100            | \$2,170,899            | 0.95%                        | -9.88%           |
| CO    | S   | \$952,678              | \$381,991              | \$783,442              | \$274,638              | 21.60%                       | 39.09%           |
| CT    | S   | \$796,247              | \$337,462              | \$696,655              | \$261,125              | 14.30%                       | 29.23%           |
| DC    | S   | \$316,702              | \$200,955              | \$420,475              | \$256,983              | -24.68%                      | -21.80%          |
| DE    | S   | \$355,244              | \$211,926              | \$420,475              | \$256,983              | -15.51%                      | -17.53%          |
| FL    | S   | \$3,144,497            | \$1,005,912            | \$3,116,963            | \$1,061,995            | 0.88%                        | -5.28%           |
| GA    | S   | \$1,754,050            | \$610,109              | \$1,718,762            | \$600,071              | 2.05%                        | 1.67%            |
| HI    | S   | \$453,126              | \$239,789              | \$420,475              | \$256,983              | 7.77%                        | -6.69%           |
| IA    | S   | \$861,806              | \$356,124              | \$806,646              | \$268,927              | 6.84%                        | 32.42%           |
| ID    | S   | \$474,704              | \$245,932              | \$420,475              | \$256,983              | 12.90%                       | -4.30%           |
| IL    | S   | \$2,580,355            | \$845,324              | \$2,703,092            | \$920,510              | -4.54%                       | -8.17%           |
| IN    | S   | \$1,552,801            | \$552,822              | \$1,475,995            | \$516,778              | 5.20%                        | 6.97%            |
| KS    | S   | \$775,332              | \$331,508              | \$617,182              | \$256,983              | 25.62%                       | 29.00%           |
| KY    | S   | \$1,151,364            | \$438,549              | \$1,250,972            | \$409,878              | -7.96%                       | 7.00%            |
| LA    | S   | \$1,309,176            | \$483,471              | \$1,423,598            | \$472,435              | -8.04%                       | 2.34%            |
| MA    | S   | \$1,396,602            | \$508,358              | \$1,341,702            | \$448,634              | 4.09%                        | 13.31%           |
| MD    | S   | \$1,182,514            | \$447,416              | \$976,916              | \$340,314              | 21.05%                       | 31.47%           |
| ME    | S   | \$500,631              | \$253,312              | \$420,475              | \$256,983              | 19.06%                       | -1.43%           |
| MI    | S   | \$2,275,032            | \$758,411              | \$2,475,657            | \$853,469              | -8.10%                       | -11.14%          |
| MN    | S   | \$1,179,478            | \$446,552              | \$1,039,371            | \$361,941              | 13.48%                       | 23.38%           |
| MO    | S   | \$1,400,470            | \$509,459              | \$1,342,585            | \$467,953              | 4.31%                        | 8.87%            |
| MS    | S   | \$952,001              | \$381,799              | \$942,999              | \$320,466              | 0.95%                        | 19.14%           |
| MT    | S   | \$421,454              | \$230,774              | \$420,475              | \$256,983              | 0.23%                        | -10.20%          |
| NC    | S   | \$1,841,073            | \$634,881              | \$1,830,536            | \$642,100              | 0.58%                        | -1.12%           |
| ND    | S   | \$371,963              | \$216,685              | \$420,475              | \$256,983              | -11.54%                      | -15.68%          |
| NE    | S   | \$587,179              | \$277,949              | \$425,955              | \$256,983              | 37.85%                       | 8.16%            |
| NH    | S   | \$452,685              | \$239,664              | \$420,475              | \$256,983              | 7.66%                        | -6.74%           |
| NJ    | S   | \$1,620,876            | \$572,200              | \$1,540,860            | \$514,828              | 5.19%                        | 11.14%           |
| NM    | S   | \$629,322              | \$289,945              | \$479,382              | \$256,983              | 31.28%                       | 12.83%           |
| NV    | S   | \$494,466              | \$251,557              | \$420,475              | \$256,983              | 17.60%                       | -2.11%           |
| NY    | S   | \$3,815,830            | \$1,197,013            | \$4,325,273            | \$1,400,881            | -11.78%                      | -14.55%          |
| OH    | S   | \$2,741,427            | \$891,175              | \$2,935,874            | \$1,013,530            | -6.62%                       | -12.07%          |
| OK    | S   | \$1,025,337            | \$402,674              | \$923,719              | \$309,330              | 11.00%                       | 30.18%           |
| OR    | S   | \$897,115              | \$366,175              | \$746,575              | \$265,181              | 20.16%                       | 38.08%           |
| PA    | S   | \$2,883,909            | \$931,733              | \$3,219,197            | \$1,064,649            | -10.42%                      | -12.48%          |
| PR    | S   | \$2,096,260            | \$707,522              | \$2,468,561            | \$833,381              | -15.08%                      | -15.10%          |
| RJ    | S   | \$434,310              | \$234,433              | \$420,475              | \$256,983              | 3.29%                        | -8.77%           |
| SC    | S   | \$1,135,921            | \$434,153              | \$1,059,457            | \$368,308              | 7.22%                        | 17.88%           |
| SD    | S   | \$387,842              | \$221,206              | \$420,475              | \$256,983              | -7.76%                       | -13.92%          |
| TN    | S   | \$1,425,494            | \$516,583              | \$1,467,752            | \$501,045              | -2.88%                       | 3.10%            |
| TX    | S   | \$4,294,457            | \$1,333,258            | \$4,520,882            | \$1,512,532            | -5.01%                       | -11.85%          |
| UT    | S   | \$694,923              | \$308,619              | \$348,942              | \$256,983              | 26.99%                       | 20.09%           |
| VA    | S   | \$1,549,127            | \$551,776              | \$1,429,585            | \$502,535              | 8.36%                        | 9.80%            |
| VT    | S   | \$340,720              | \$207,792              | \$420,475              | \$256,983              | -18.97%                      | -19.14%          |
| WA    | S   | \$1,319,278            | \$486,347              | \$1,147,367            | \$388,246              | 14.98%                       | 25.27%           |
| WI    | S   | \$1,351,913            | \$495,637              | \$1,319,250            | \$457,443              | 2.48%                        | 8.35%            |
| WV    | S   | \$710,586              | \$313,077              | \$809,383              | \$278,339              | -12.21%                      | 12.48%           |
| WY    | S   | \$323,234              | \$202,814              | \$420,475              | \$256,983              | -23.13%                      | -21.08%          |
| AS    | T   | \$245,252              | \$141,165              | \$220,750              | \$137,485              | 11.10%                       | 2.68%            |
| GU    | T   | \$248,698              | \$142,146              | \$220,750              | \$137,485              | 12.66%                       | 3.39%            |
| NR    | T   | \$228,507              | \$136,398              | \$220,750              | \$137,485              | 3.51%                        | -0.79%           |
| PW    | T   | \$220,427              | \$134,098              | \$220,750              | \$137,485              | -0.15%                       | -2.46%           |
| VI    | T   | \$242,719              | \$140,444              | \$220,750              | \$137,485              | 9.95%                        | 2.15%            |
| ZI    | T   |                        | \$131,504              |                        | \$137,485              |                              | -4.35%           |

Exhibit A-3

Simulation 2: Elimination of the Per Capita Income Factor

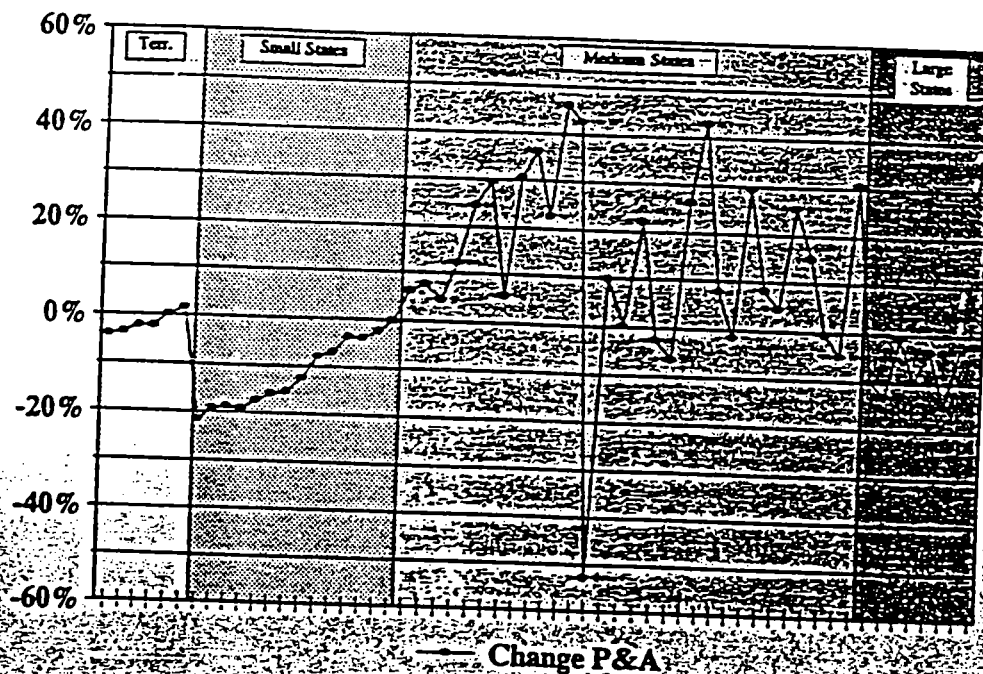
| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 0%  |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 95% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Percent Loss or Gain in Allotments



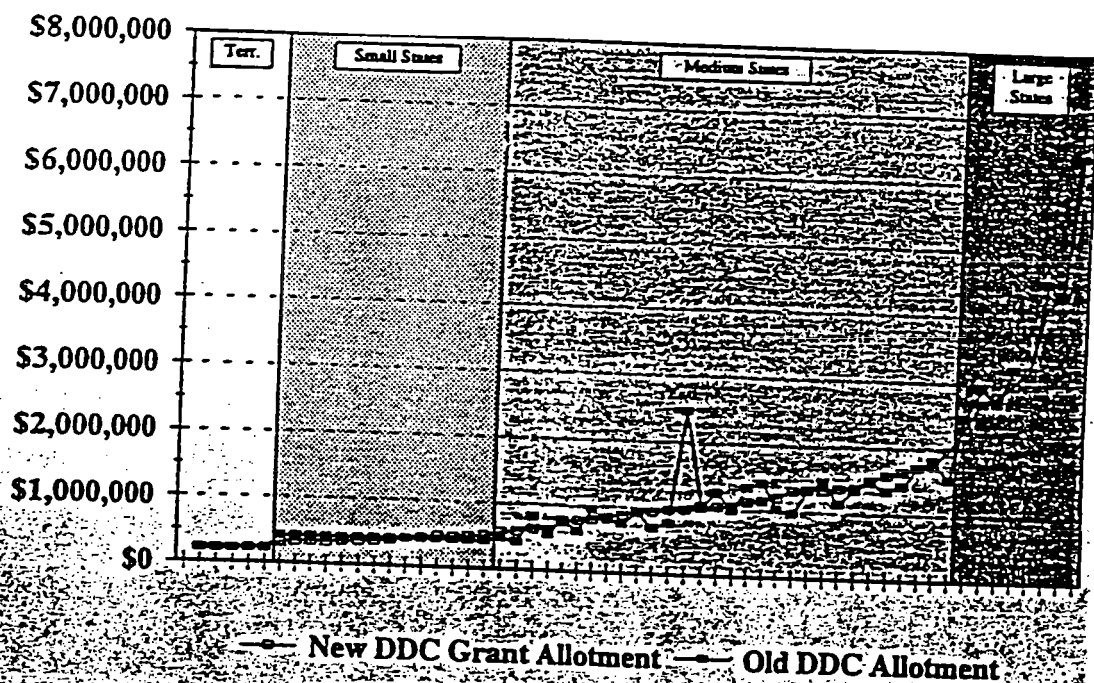
| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCL/Population Factor Weight | 0%  |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 95% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Percent Loss or Gain in Allotments



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 0%  |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 95% |                               |              |              |
| Outcome Measures Weight      | 5%  |                               |              |              |
| Individual Outcome Measures  |     |                               |              |              |
| PwDD in School               | 50% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| PwD Entering Employment      | 50% | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
|                              |     | State Base Allotment          | \$211,314    | \$170,955    |
|                              |     | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
|                              |     | Territory Base Allotment      | \$211,314    | \$131,504    |

Grant Allotments by Population



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 0%  |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 95% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

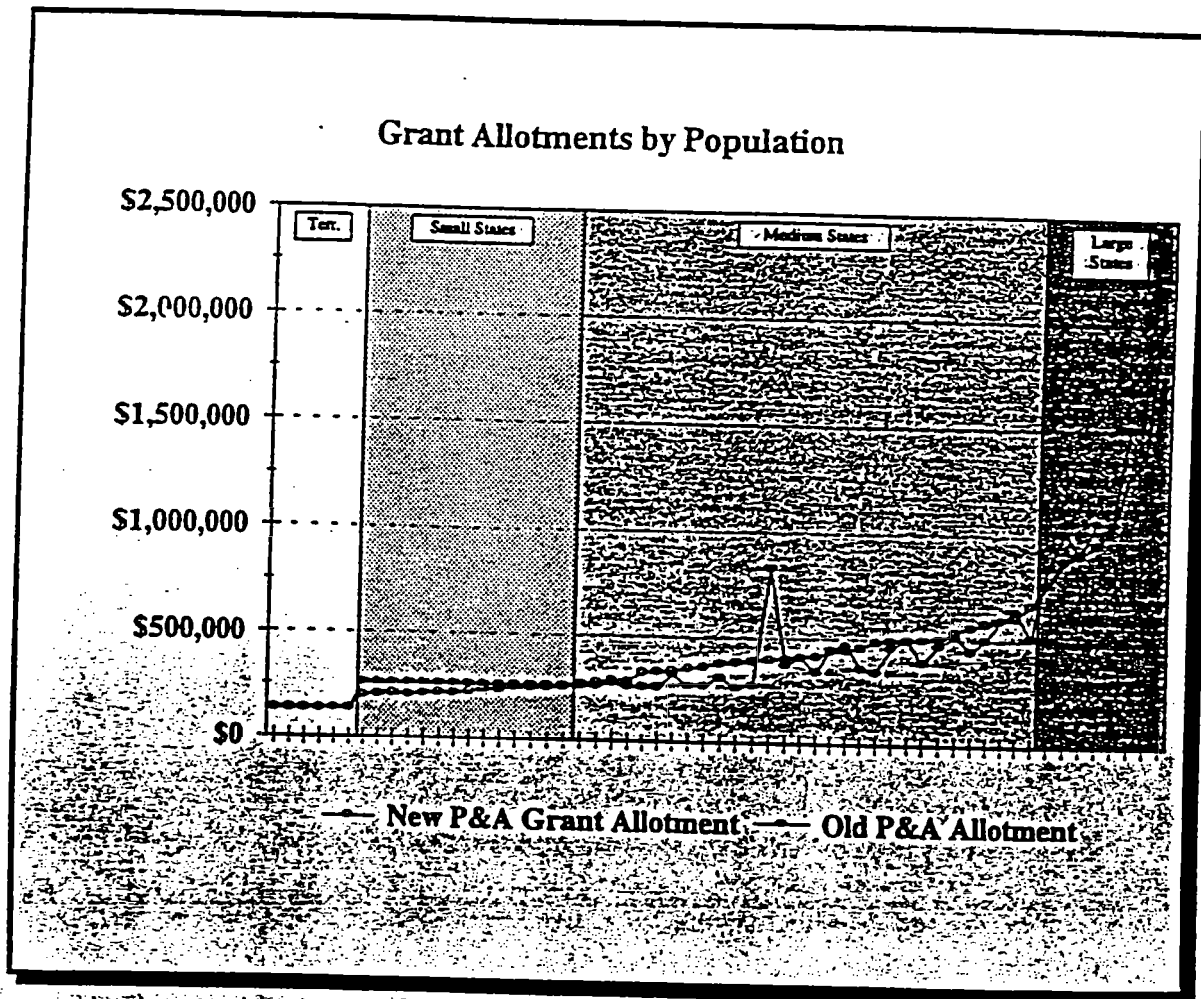


Exhibit A-3(5)

| Formula Parameters           |     | Formula Factors                    |              |              |
|------------------------------|-----|------------------------------------|--------------|--------------|
| FCL/Population Factor Weight | 0%  | Total Appropriations               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 95% | State Base (% Tot. Appr.)          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base Allocation              | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | Territory Base (% Tot. Appr.)      | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base Allocation          | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | National Per Capita Income (FY 95) | \$211,314    | \$131,504    |
| States                       | 52  |                                    | \$19,317     | \$19,317     |
| Territories                  | 6   |                                    |              |              |

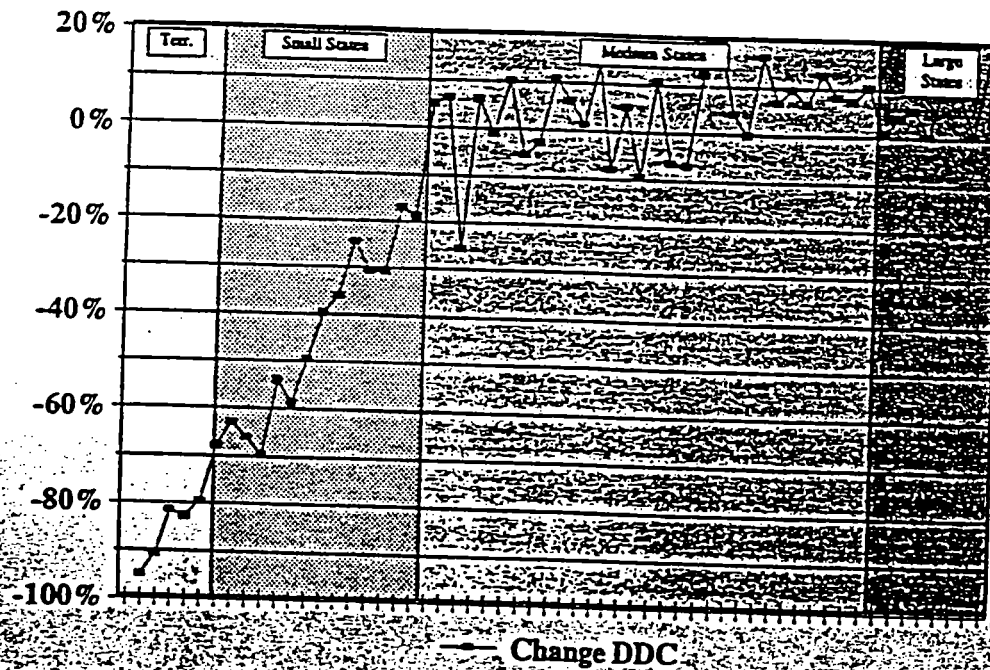
| State | ST | New Formula            |                        | Old Formula            |                        | Pct. Difference<br>(New - Old) |                  |
|-------|----|------------------------|------------------------|------------------------|------------------------|--------------------------------|------------------|
|       |    | DDC Grant<br>Allotment | P&A Grant<br>Allotment | FY 95 DDC<br>Allotment | FY 95 P&A<br>Allotment | DDC<br>Allotment               | P&A<br>Allotment |
| AK    | S  | \$343,743              | \$208,652              | \$420,475              | \$256,983              | -18.25%                        | -18.81%          |
| AL    | S  | \$1,143,835            | \$436,406              | \$1,345,843            | \$447,562              | -15.01%                        | -2.49%           |
| AR    | S  | \$752,148              | \$324,909              | \$768,612              | \$261,077              | -2.14%                         | 24.45%           |
| AZ    | S  | \$1,064,989            | \$413,962              | \$998,958              | \$339,216              | 6.61%                          | 22.03%           |
| CA    | S  | \$7,089,104            | \$2,128,780            | \$6,423,100            | \$2,170,899            | 10.37%                         | -1.94%           |
| CO    | S  | \$987,328              | \$391,855              | \$783,442              | \$274,638              | 26.02%                         | 42.68%           |
| CT    | S  | \$950,830              | \$381,465              | \$696,655              | \$261,125              | 36.49%                         | 46.09%           |
| DC    | S  | \$340,164              | \$207,634              | \$420,475              | \$256,983              | -19.10%                        | -19.20%          |
| DE    | S  | \$368,820              | \$215,791              | \$420,475              | \$256,983              | -12.28%                        | -16.03%          |
| FL    | S  | \$3,213,418            | \$1,025,531            | \$3,116,963            | \$1,061,995            | 3.09%                          | -3.43%           |
| GA    | S  | \$1,709,783            | \$597,508              | \$1,718,762            | \$600,071              | -0.52%                         | -0.43%           |
| HI    | S  | \$476,706              | \$246,502              | \$420,475              | \$256,983              | 13.37%                         | -4.08%           |
| IA    | S  | \$843,977              | \$351,049              | \$806,646              | \$268,927              | 4.63%                          | 30.54%           |
| ID    | S  | \$449,966              | \$238,890              | \$420,475              | \$256,983              | 7.01%                          | -7.04%           |
| IL    | S  | \$2,811,843            | \$911,219              | \$2,703,092            | \$920,510              | 4.02%                          | -1.01%           |
| IN    | S  | \$1,506,876            | \$539,749              | \$1,475,995            | \$516,778              | 2.09%                          | 4.44%            |
| KS    | S  | \$780,052              | \$332,852              | \$617,182              | \$256,983              | 26.39%                         | 29.52%           |
| KY    | S  | \$1,055,286            | \$411,199              | \$1,250,972            | \$409,878              | -15.64%                        | 0.32%            |
| LA    | S  | \$1,164,664            | \$442,335              | \$1,423,598            | \$472,435              | -18.19%                        | -6.37%           |
| MA    | S  | \$1,590,549            | \$563,567              | \$1,341,702            | \$448,634              | 18.55%                         | 25.62%           |
| MD    | S  | \$1,321,458            | \$486,968              | \$976,916              | \$340,314              | 35.27%                         | 43.09%           |
| ME    | S  | \$491,605              | \$250,743              | \$420,475              | \$256,983              | 16.92%                         | -2.43%           |
| MI    | S  | \$2,315,092            | \$769,815              | \$2,475,657            | \$853,469              | -6.49%                         | -9.80%           |
| MN    | S  | \$1,217,246            | \$457,303              | \$1,039,371            | \$361,941              | 17.11%                         | 26.35%           |
| MO    | S  | \$1,389,747            | \$506,407              | \$1,342,585            | \$467,953              | 3.51%                          | 8.22%            |
| MS    | S  | \$799,450              | \$338,374              | \$942,999              | \$320,466              | -15.22%                        | 5.59%            |
| MT    | S  | \$399,519              | \$224,529              | \$420,475              | \$256,983              | -4.98%                         | -12.63%          |
| NC    | S  | \$1,755,761            | \$610,596              | \$1,830,536            | \$642,100              | -4.08%                         | -4.91%           |
| ND    | S  | \$356,997              | \$212,425              | \$420,475              | \$256,983              | -15.10%                        | -17.34%          |
| NE    | S  | \$582,754              | \$276,689              | \$425,955              | \$256,983              | 36.81%                         | 7.67%            |
| NH    | S  | \$479,624              | \$247,332              | \$420,475              | \$256,983              | 14.07%                         | -3.76%           |
| NJ    | S  | \$1,975,932            | \$673,270              | \$1,540,860            | \$514,828              | 28.24%                         | 30.78%           |
| NM    | S  | \$569,285              | \$272,855              | \$479,382              | \$256,983              | 18.75%                         | 6.18%            |
| NV    | S  | \$511,658              | \$256,451              | \$420,475              | \$256,983              | 21.69%                         | -0.21%           |
| NY    | S  | \$4,368,994            | \$1,354,476            | \$4,325,273            | \$1,400,881            | 1.01%                          | -3.31%           |
| OH    | S  | \$2,710,099            | \$882,257              | \$2,935,874            | \$1,013,530            | -7.69%                         | -12.95%          |
| OK    | S  | \$942,842              | \$379,191              | \$923,719              | \$309,330              | 2.07%                          | 22.58%           |
| OR    | S  | \$879,619              | \$361,194              | \$746,575              | \$265,181              | 17.82%                         | 36.21%           |
| PA    | S  | \$2,988,038            | \$961,375              | \$3,219,197            | \$1,064,649            | -7.18%                         | -9.70%           |
| PR    | S  | \$994,876              | \$394,003              | \$2,468,561            | \$833,381              | -59.70%                        | -52.72%          |
| RJ    | S  | \$441,799              | \$236,565              | \$420,475              | \$256,983              | 5.07%                          | -7.95%           |
| SC    | S  | \$1,034,414            | \$405,258              | \$1,059,457            | \$368,308              | -2.36%                         | 10.03%           |
| SD    | S  | \$373,577              | \$217,145              | \$420,475              | \$256,983              | -11.15%                        | -15.50%          |
| TN    | S  | \$1,343,207            | \$493,159              | \$1,467,752            | \$501,045              | -8.49%                         | -1.57%           |
| TX    | S  | \$4,140,315            | \$1,289,381            | \$4,520,882            | \$1,512,532            | -8.42%                         | -14.73%          |
| UT    | S  | \$624,231              | \$288,496              | \$548,942              | \$256,983              | 13.72%                         | 12.26%           |
| VA    | S  | \$1,644,178            | \$578,833              | \$1,429,585            | \$502,535              | 15.01%                         | 15.18%           |
| VT    | S  | \$339,348              | \$207,401              | \$420,475              | \$256,983              | -19.29%                        | -19.29%          |
| WA    | S  | \$1,376,335            | \$502,589              | \$1,147,367            | \$388,246              | 19.96%                         | 29.45%           |
| WI    | S  | \$1,344,548            | \$493,541              | \$1,319,250            | \$457,443              | 1.92%                          | 7.89%            |
| WV    | S  | \$632,912              | \$290,967              | \$809,383              | \$278,339              | -21.80%                        | 4.54%            |
| WY    | S  | \$318,105              | \$201,354              | \$420,475              | \$256,983              | -24.35%                        | -21.65%          |
| AS    | T  | \$221,403              | \$134,376              | \$220,750              | \$137,485              | 0.30%                          | -2.26%           |
| GU    | T  | \$240,185              | \$139,723              | \$220,750              | \$137,485              | 8.80%                          | 1.63%            |
| NR    | T  | \$220,698              | \$134,175              | \$220,750              | \$137,485              | -0.02%                         | -2.41%           |
| PW    | T  | \$214,636              | \$132,450              | \$220,750              | \$137,485              | -2.77%                         | -3.66%           |
| VI    | T  | \$233,432              | \$137,800              | \$220,750              | \$137,485              | 5.74%                          | 0.23%            |
| ZI    | T  |                        | \$131,504              |                        | \$137,485              |                                | -4.35%           |

Exhibit A-4

Simulation 3: Elimination of the Base Grant

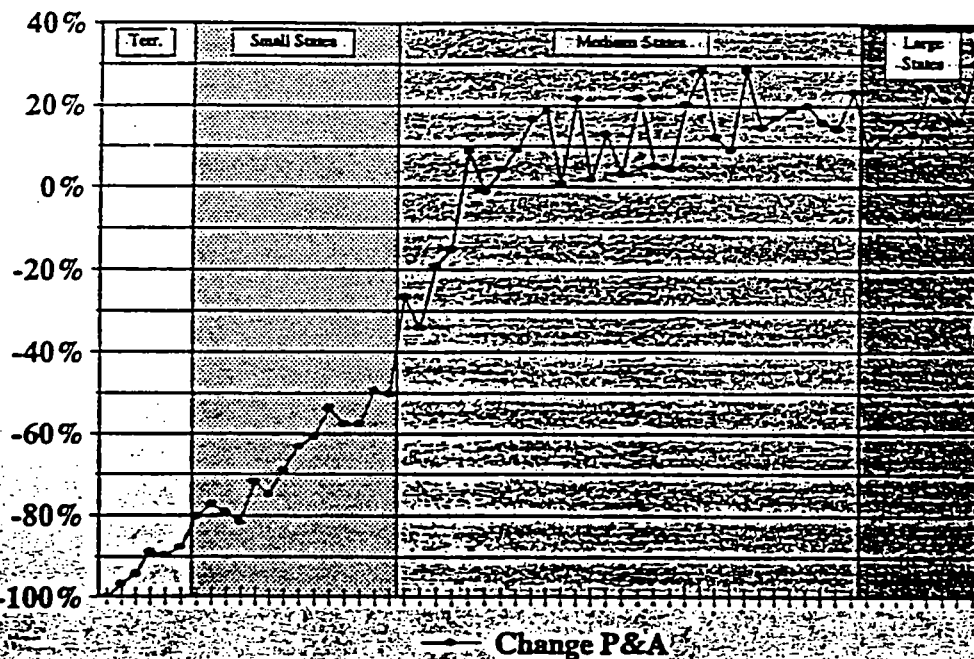
| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.00%        | 0.00%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$0          | \$0          |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.00%        | 0.00%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$0          | \$0          |

Percent Loss or Gain in Allotments

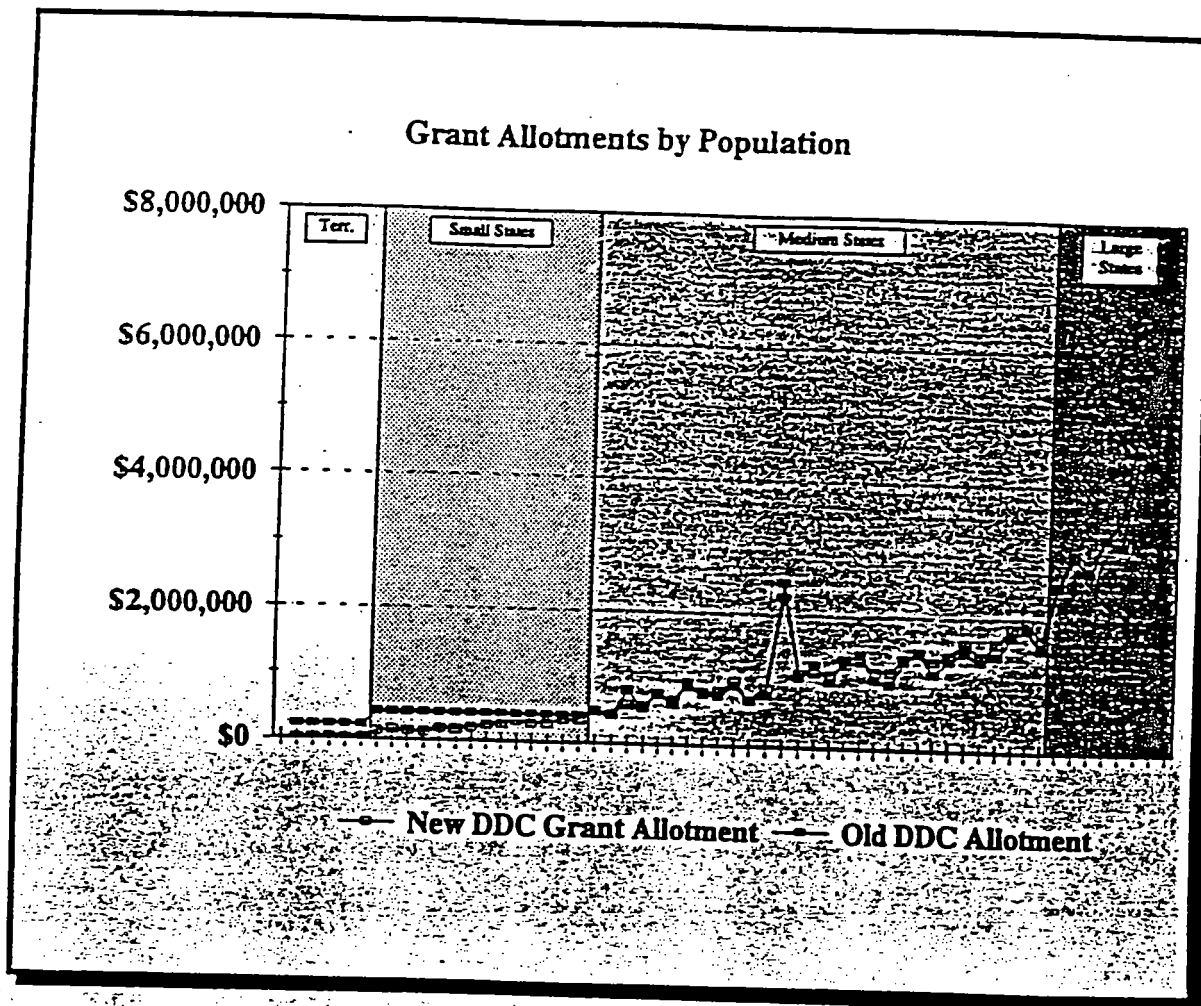


| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.00%        | 0.00%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$0          | \$0          |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.00%        | 0.00%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$0          | \$0          |

## Percent Loss or Gain in Allotments



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.00%        | 0.00%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$0          | \$0          |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.00%        | 0.00%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$0          | \$0          |



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.00%        | 0.00%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$0          | \$0          |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.00%        | 0.00%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$0          | \$0          |

Grant Allotments by Population

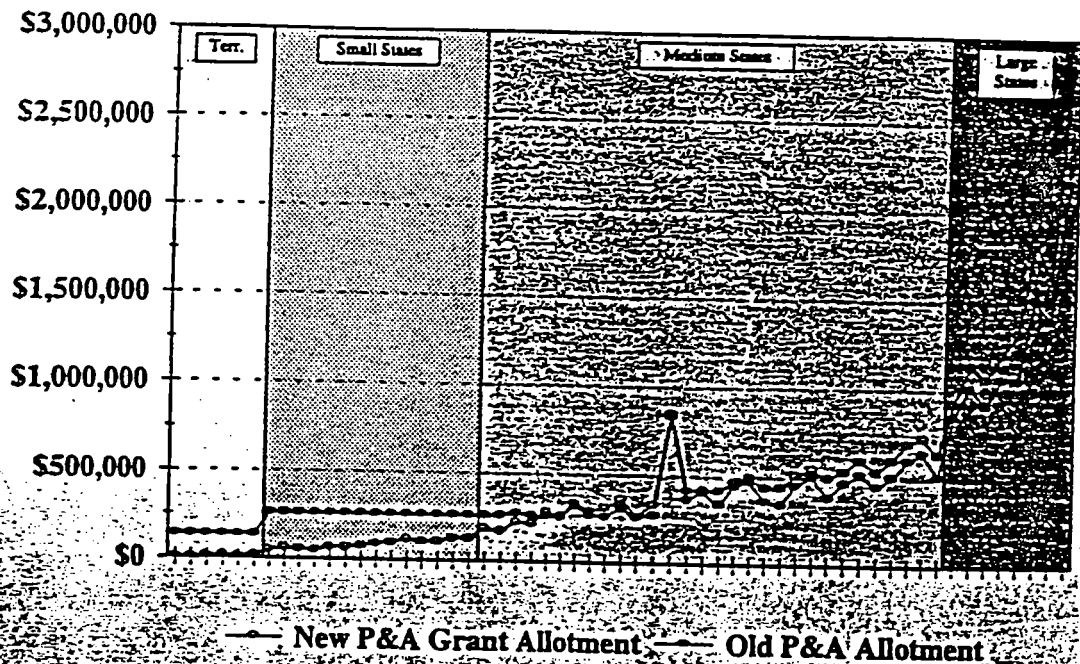


Exhibit A-4(5)

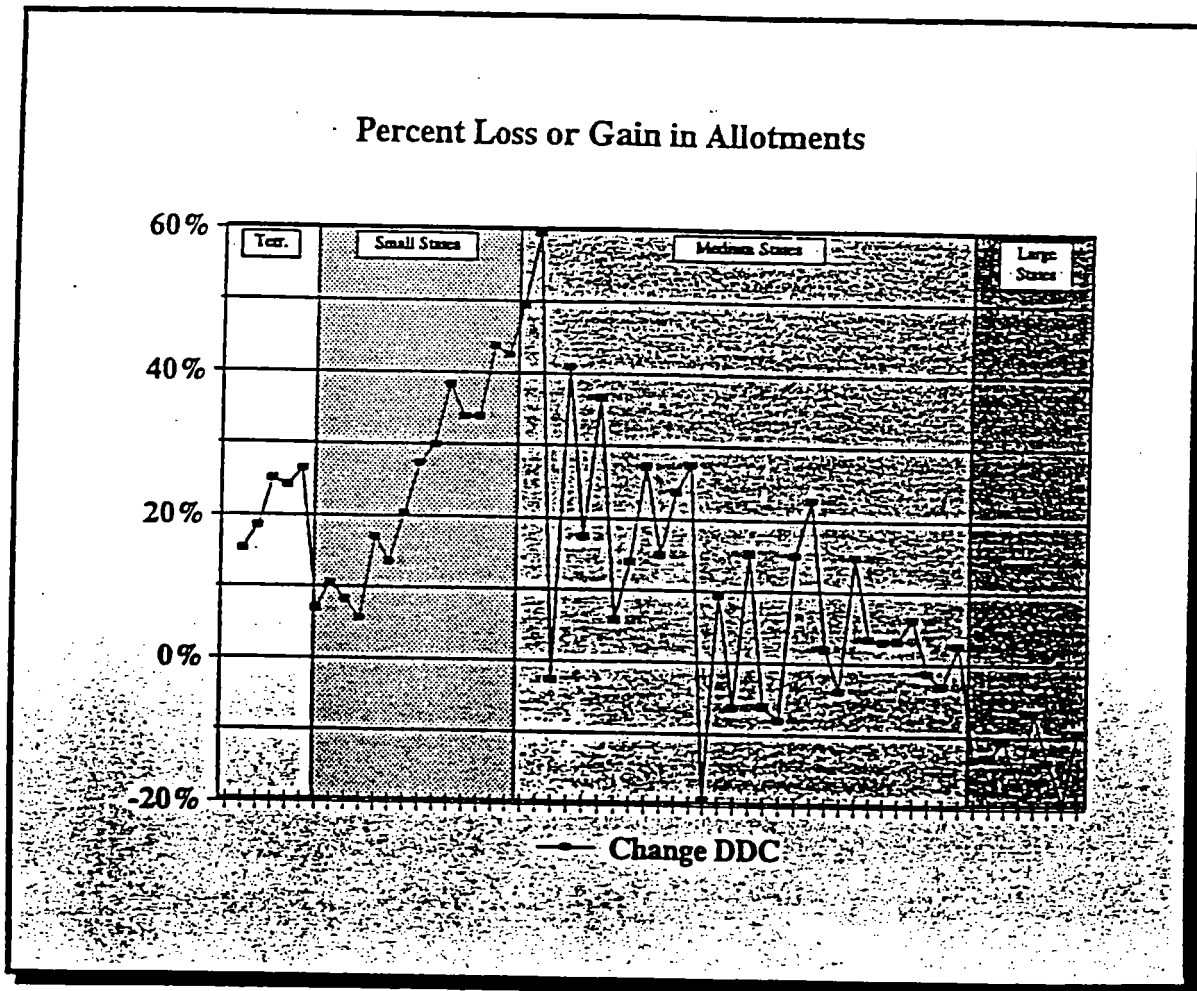
| Formula Parameters           |     | Formula Factors                    |              |              |
|------------------------------|-----|------------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                                    | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% |                                    |              |              |
| Outcome Measures Weight      | 5%  |                                    |              |              |
| Individual Outcome Measures  |     |                                    |              |              |
| PwDD in School               | 50% |                                    |              |              |
| PwD Entering Employment      | 50% |                                    |              |              |
| States                       | 52  | Total Appropriations               | \$70,438,000 | \$26,300,820 |
| Territories                  | 6   | State Base (% Tot. Appr.)          | 0.00%        | 0.00%        |
|                              |     | State Base Allotment               | \$0          | \$0          |
|                              |     | Territory Base (% Tot. Appr.)      | 0.00%        | 0.00%        |
|                              |     | Territory Base Allotment           | \$0          | \$0          |
|                              |     | National Per Capita Income (FY 95) | \$19,317     | \$19,317     |

| State | ST | New Formula            |                        | Old Formula            |                        | Pct. Difference<br>(New - Old) |                  |
|-------|----|------------------------|------------------------|------------------------|------------------------|--------------------------------|------------------|
|       |    | DDC Grant<br>Allotment | P&A Grant<br>Allotment | FY 95 DDC<br>Allotment | FY 95 P&A<br>Allotment | DDC<br>Allotment               | P&A<br>Allotment |
| AK    | S  | \$142,589              | \$53,241               | \$420,475              | \$256,983              | -66.09%                        | -79.28%          |
| AL    | S  | \$1,261,093            | \$470,879              | \$1,345,843            | \$447,562              | -6.30%                         | 5.21%            |
| AR    | S  | \$760,886              | \$284,107              | \$768,612              | \$261,077              | -1.01%                         | 8.82%            |
| AZ    | S  | \$1,106,605            | \$413,195              | \$998,958              | \$339,216              | 10.78%                         | 21.81%           |
| CA    | S  | \$7,566,358            | \$2,825,200            | \$6,423,100            | \$2,170,899            | 17.80%                         | 30.14%           |
| CO    | S  | \$894,287              | \$333,917              | \$783,442              | \$274,638              | 14.15%                         | 21.58%           |
| CT    | S  | \$705,589              | \$263,460              | \$696,655              | \$261,125              | 1.28%                          | 0.89%            |
| DC    | S  | \$127,127              | \$47,468               | \$420,475              | \$256,983              | -69.77%                        | -81.53%          |
| DE    | S  | \$173,619              | \$64,827               | \$420,475              | \$256,983              | -58.71%                        | -74.77%          |
| FL    | S  | \$3,538,218            | \$1,321,134            | \$3,116,963            | \$1,061,995            | 13.51%                         | 24.40%           |
| GA    | S  | \$1,860,961            | \$694,863              | \$1,718,762            | \$600,071              | 8.27%                          | 15.80%           |
| HI    | S  | \$291,692              | \$108,915              | \$420,475              | \$256,983              | -30.63%                        | -57.62%          |
| IA    | S  | \$784,670              | \$292,988              | \$806,646              | \$268,927              | -2.72%                         | 8.95%            |
| ID    | S  | \$317,720              | \$118,633              | \$420,475              | \$256,983              | -24.44%                        | -53.84%          |
| IL    | S  | \$2,857,709            | \$1,067,039            | \$2,703,092            | \$920,510              | 5.72%                          | 15.92%           |
| IN    | S  | \$1,618,199            | \$604,219              | \$1,475,995            | \$516,778              | 9.63%                          | 16.92%           |
| KS    | S  | \$680,360              | \$254,039              | \$617,182              | \$256,983              | 10.24%                         | -1.15%           |
| KY    | S  | \$1,133,957            | \$423,408              | \$1,250,972            | \$409,878              | -9.35%                         | 3.30%            |
| LA    | S  | \$1,324,321            | \$494,488              | \$1,423,598            | \$472,435              | -6.97%                         | 4.67%            |
| MA    | S  | \$1,429,781            | \$533,865              | \$1,341,702            | \$448,634              | 6.56%                          | 19.00%           |
| MD    | S  | \$1,171,532            | \$437,438              | \$976,916              | \$340,314              | 19.92%                         | 28.54%           |
| ME    | S  | \$348,995              | \$130,311              | \$420,475              | \$256,983              | -17.00%                        | -49.29%          |
| MI    | S  | \$2,489,407            | \$929,519              | \$2,475,657            | \$853,469              | 0.56%                          | 8.91%            |
| MN    | S  | \$1,167,870            | \$436,071              | \$1,039,371            | \$361,941              | 12.36%                         | 20.48%           |
| MO    | S  | \$1,434,446            | \$535,607              | \$1,342,585            | \$467,953              | 6.84%                          | 14.46%           |
| MS    | S  | \$893,471              | \$333,613              | \$942,999              | \$320,466              | -5.25%                         | 4.10%            |
| MT    | S  | \$253,486              | \$94,649               | \$420,475              | \$256,983              | -39.71%                        | -63.17%          |
| NC    | S  | \$1,965,933            | \$734,059              | \$1,830,536            | \$642,100              | 7.40%                          | 14.32%           |
| ND    | S  | \$193,786              | \$72,358               | \$420,475              | \$256,983              | -53.91%                        | -71.84%          |
| NE    | S  | \$453,395              | \$169,293              | \$425,955              | \$256,983              | 6.44%                          | -34.12%          |
| NH    | S  | \$291,160              | \$108,716              | \$420,475              | \$256,983              | -30.75%                        | -57.70%          |
| NJ    | S  | \$1,700,316            | \$634,880              | \$1,540,860            | \$514,828              | 10.35%                         | 23.32%           |
| NM    | S  | \$504,232              | \$188,275              | \$479,382              | \$256,983              | 5.18%                          | -26.74%          |
| NV    | S  | \$341,559              | \$127,535              | \$420,475              | \$256,983              | -18.77%                        | -50.37%          |
| NY    | S  | \$4,348,029            | \$1,623,509            | \$4,325,273            | \$1,400,881            | 0.53%                          | 15.89%           |
| OH    | S  | \$3,052,006            | \$1,139,587            | \$2,935,874            | \$1,013,530            | 3.96%                          | 12.44%           |
| OK    | S  | \$981,934              | \$366,644              | \$923,719              | \$309,530              | 6.30%                          | 18.53%           |
| OR    | S  | \$827,263              | \$308,892              | \$746,575              | \$265,181              | 10.81%                         | 16.48%           |
| PA    | S  | \$3,223,878            | \$1,203,763            | \$3,219,197            | \$1,064,649            | 0.15%                          | 13.07%           |
| PR    | S  | \$2,273,759            | \$848,998              | \$2,468,561            | \$833,381              | -7.89%                         | 1.87%            |
| RI    | S  | \$268,994              | \$100,440              | \$420,475              | \$256,983              | -36.03%                        | -60.92%          |
| SC    | S  | \$1,115,329            | \$416,452              | \$1,039,457            | \$368,308              | 5.27%                          | 13.07%           |
| SD    | S  | \$212,941              | \$79,510               | \$420,475              | \$256,983              | -49.36%                        | -69.06%          |
| TN    | S  | \$1,464,633            | \$546,879              | \$1,467,752            | \$501,045              | -0.21%                         | 9.15%            |
| TX    | S  | \$4,925,383            | \$1,839,087            | \$4,520,882            | \$1,512,532            | 8.95%                          | 21.99%           |
| UT    | S  | \$583,365              | \$217,822              | \$548,942              | \$256,983              | 6.27%                          | 15.24%           |
| VA    | S  | \$1,613,767            | \$602,564              | \$1,429,585            | \$502,535              | 12.88%                         | 19.90%           |
| VT    | S  | \$156,099              | \$58,286               | \$420,475              | \$256,983              | -62.88%                        | -77.32%          |
| WA    | S  | \$1,336,507            | \$499,038              | \$1,147,367            | \$388,246              | 16.48%                         | 28.54%           |
| WI    | S  | \$1,375,874            | \$513,737              | \$1,319,250            | \$457,443              | 4.29%                          | 12.31%           |
| WV    | S  | \$602,258              | \$224,877              | \$809,383              | \$278,339              | -25.59%                        | -19.21%          |
| WY    | S  | \$135,007              | \$50,410               | \$420,475              | \$256,983              | -67.89%                        | -80.38%          |
| AS    | T  | \$40,939               | \$15,286               | \$220,750              | \$137,485              | -81.45%                        | -88.88%          |
| GU    | T  | \$45,095               | \$16,838               | \$220,750              | \$137,485              | -79.57%                        | -87.75%          |
| NR    | T  | \$20,739               | \$7,744                | \$220,750              | \$137,485              | -90.61%                        | -94.37%          |
| PW    | T  | \$10,993               | \$4,105                | \$220,750              | \$137,485              | -95.02%                        | -97.01%          |
| VI    | T  | \$37,883               | \$14,145               | \$220,750              | \$137,485              | -82.84%                        | -89.71%          |
| ZI    | T  |                        | \$0                    |                        | \$137,485              |                                | -100.00%         |

## Exhibit A-5

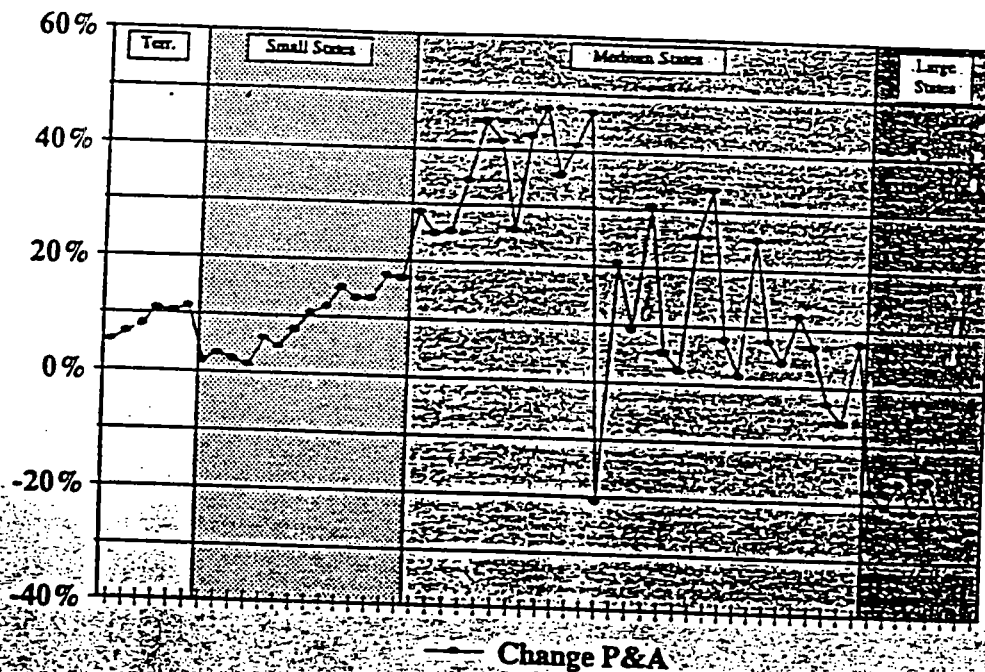
### Simulation 4: High Base Grant

| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.50%        | 0.90%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$352,190    | \$236,707    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.35%        | 0.55%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$246,533    | \$144,655    |

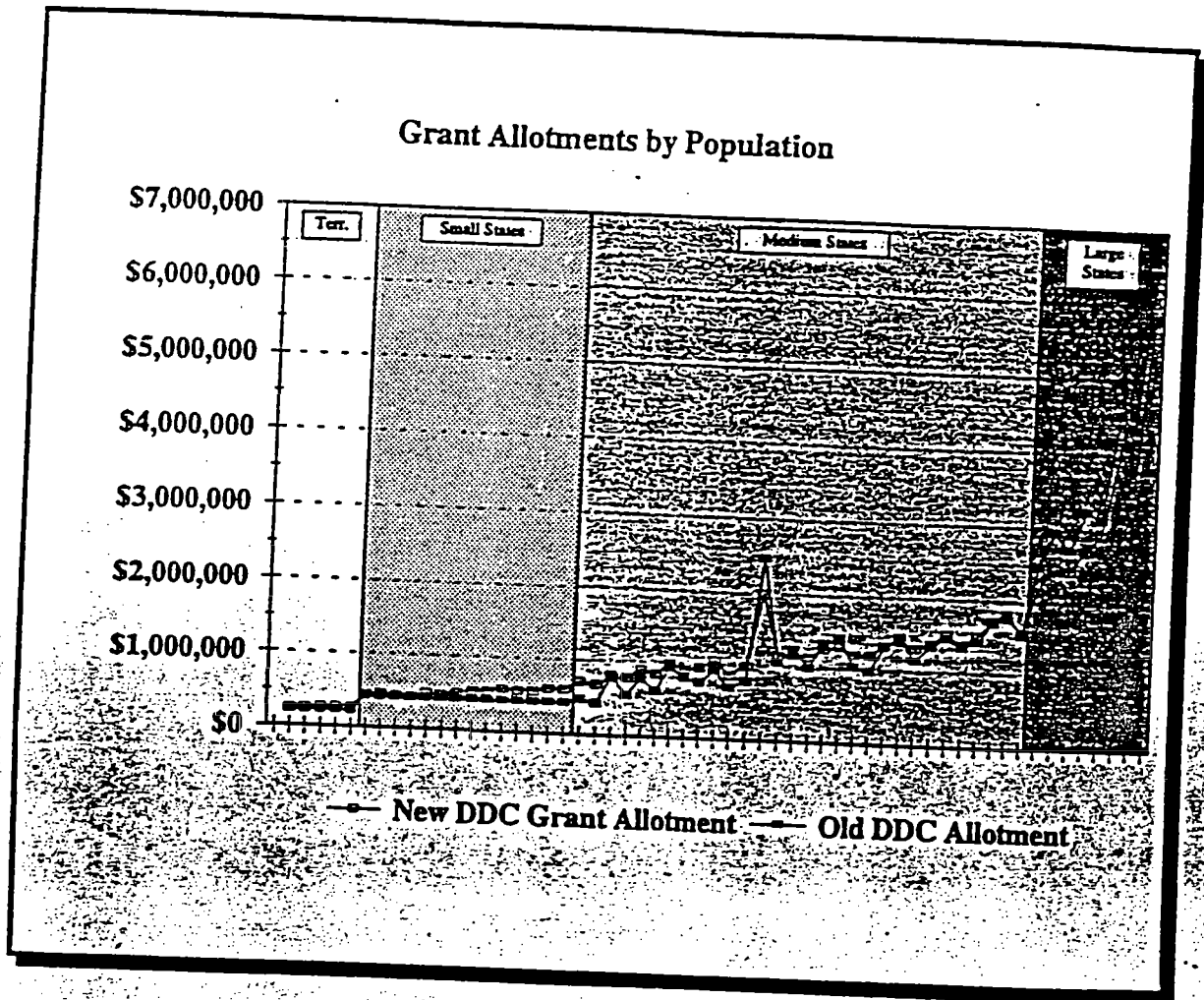


| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.50%        | 0.90%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$352,190    | \$236,707    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.35%        | 0.55%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$246,533    | \$144,655    |

Percent Loss or Gain in Allotments



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.50%        | 0.90%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$352,190    | \$236,707    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.35%        | 0.55%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$246,533    | \$144,655    |



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 70% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 25% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 5%  | State Base (% Tot. Appr.)     | 0.50%        | 0.90%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$352,190    | \$236,707    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.35%        | 0.55%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$246,533    | \$144,655    |

Grant Allotments by Population

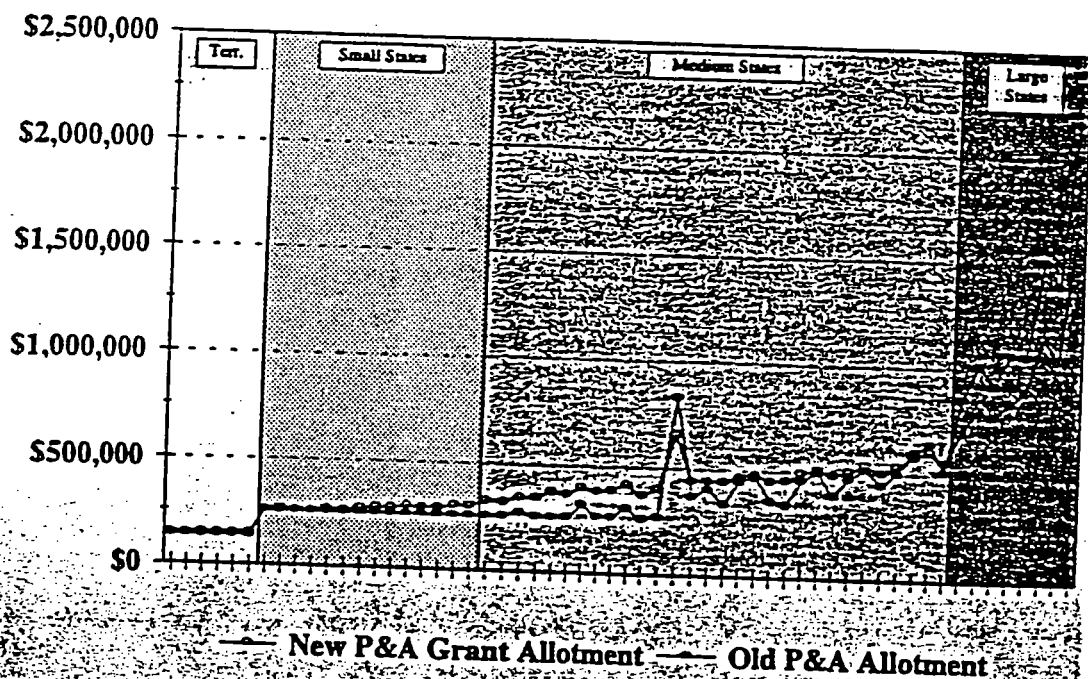


Exhibit A-5(5)

| Formula Parameters           |     |  | Formula Factors |           |             |
|------------------------------|-----|--|-----------------|-----------|-------------|
| PCI/Population Factor Weight | 70% |  |                 | DDC Grant | P & A Grant |
| Population Factor Weight     | 25% |  |                 |           |             |
| Outcome Measures Weight      | 5%  |  |                 |           |             |
| Individual Outcome Measures  |     |  |                 |           |             |
| PwDD in School               | 50% |  |                 |           |             |
| PwD Entering Employment      | 50% |  |                 |           |             |
| States                       | 52  |  |                 |           |             |
| Territories                  | 6   |  |                 |           |             |

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Total Appropriations               | \$70,438,000 | \$26,300,820 |
| State Base (% Tot. Appr.)          | 0.50%        | 0.90%        |
| State Base Allotment               | \$352,190    | \$236,707    |
| Territory Base (% Tot. Appr.)      | 0.35%        | 0.55%        |
| Territory Base Allotment           | \$246,533    | \$144,655    |
| National Per Capita Income (FY 95) | \$19,317     | \$19,317     |

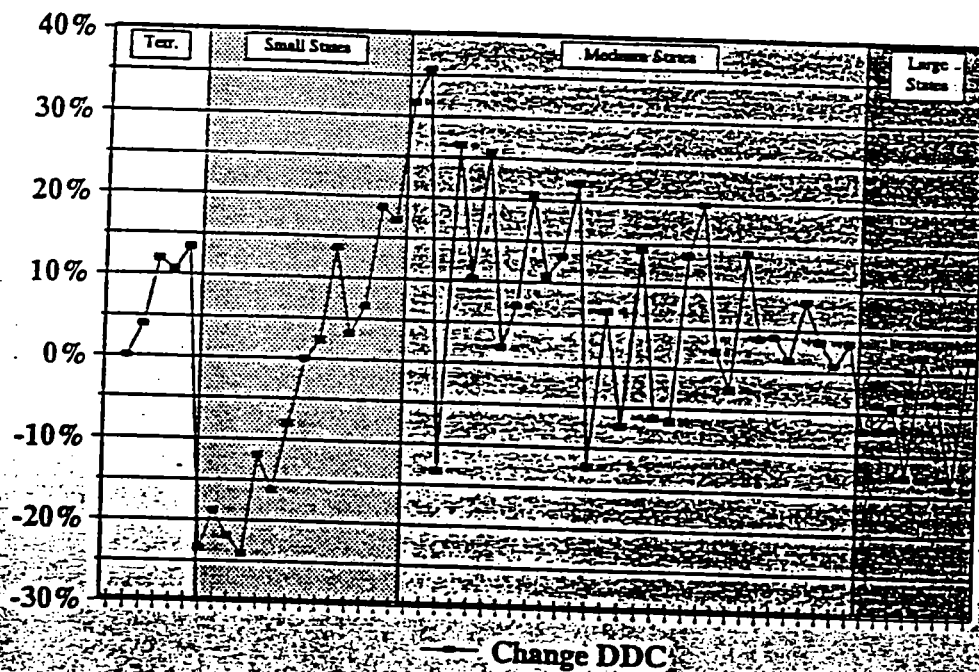
| State | ST | New Formula            |                        | Old Formula            |                        | Pct. Difference<br>(New - Old) |                  |
|-------|----|------------------------|------------------------|------------------------|------------------------|--------------------------------|------------------|
|       |    | DDC Grant<br>Allotment | P&A Grant<br>Allotment | FY 95 DDC<br>Allotment | FY 95 P&A<br>Allotment | DDC<br>Allotment               | P&A<br>Allotment |
| AK    | S  | \$455,211              | \$263,275              | \$420,475              | \$256,983              | 8.26%                          | 2.45%            |
| AL    | S  | \$1,263,330            | \$471,676              | \$1,345,843            | \$447,562              | -6.13%                         | 5.39%            |
| AR    | S  | \$901,930              | \$378,477              | \$768,612              | \$261,077              | 17.35%                         | 44.97%           |
| AZ    | S  | \$1,151,712            | \$442,892              | \$998,958              | \$339,216              | 15.29%                         | 30.56%           |
| CA    | S  | \$5,818,884            | \$1,646,482            | \$6,423,100            | \$2,170,899            | -9.41%                         | -24.16%          |
| CO    | S  | \$998,312              | \$403,332              | \$783,442              | \$274,638              | 27.43%                         | 46.86%           |
| CT    | S  | \$861,978              | \$368,174              | \$696,655              | \$261,125              | 23.73%                         | 41.00%           |
| DC    | S  | \$444,039              | \$260,394              | \$420,475              | \$256,983              | 5.60%                          | 1.33%            |
| DE    | S  | \$477,630              | \$269,056              | \$420,475              | \$256,983              | 13.59%                         | 4.70%            |
| FL    | S  | \$2,908,552            | \$895,953              | \$3,116,963            | \$1,061,995            | -6.69%                         | -15.63%          |
| GA    | S  | \$1,696,734            | \$583,444              | \$1,718,762            | \$600,071              | -1.28%                         | -2.77%           |
| HI    | S  | \$562,937              | \$291,056              | \$420,475              | \$256,983              | 33.88%                         | 13.26%           |
| IA    | S  | \$919,114              | \$382,908              | \$806,646              | \$268,927              | 13.94%                         | 42.38%           |
| ID    | S  | \$581,743              | \$295,905              | \$420,475              | \$256,983              | 38.35%                         | 15.15%           |
| IL    | S  | \$2,416,885            | \$769,160              | \$2,703,092            | \$920,510              | -10.59%                        | -16.44%          |
| IN    | S  | \$1,521,339            | \$538,213              | \$1,475,995            | \$516,778              | 3.07%                          | 4.15%            |
| KS    | S  | \$843,750              | \$363,473              | \$617,182              | \$256,983              | 36.71%                         | 41.44%           |
| KY    | S  | \$1,171,474            | \$447,988              | \$1,250,972            | \$409,878              | -6.35%                         | 9.30%            |
| LA    | S  | \$1,309,012            | \$483,457              | \$1,423,598            | \$472,435              | -8.05%                         | 2.33%            |
| MA    | S  | \$1,385,207            | \$503,106              | \$1,341,702            | \$448,634              | 3.24%                          | 12.14%           |
| MD    | S  | \$1,198,622            | \$454,989              | \$976,916              | \$340,314              | 22.69%                         | 33.70%           |
| ME    | S  | \$604,339              | \$301,733              | \$420,475              | \$256,983              | 43.73%                         | 17.41%           |
| MI    | S  | \$2,150,786            | \$700,537              | \$2,475,657            | \$853,469              | -13.12%                        | -17.92%          |
| MN    | S  | \$1,195,976            | \$454,307              | \$1,039,371            | \$361,941              | 15.07%                         | 25.52%           |
| MO    | S  | \$1,388,577            | \$503,975              | \$1,342,585            | \$467,953              | 3.43%                          | 7.70%            |
| MS    | S  | \$997,723              | \$403,180              | \$942,999              | \$320,466              | 5.80%                          | 25.81%           |
| MT    | S  | \$535,334              | \$283,937              | \$420,475              | \$256,983              | 27.32%                         | 10.49%           |
| NC    | S  | \$1,772,577            | \$603,003              | \$1,830,536            | \$642,100              | -3.17%                         | -6.09%           |
| ND    | S  | \$492,200              | \$272,814              | \$420,475              | \$256,983              | 17.06%                         | 6.16%            |
| NE    | S  | \$679,768              | \$321,185              | \$425,955              | \$256,983              | 59.59%                         | 24.98%           |
| NH    | S  | \$562,553              | \$290,957              | \$420,475              | \$256,983              | 33.79%                         | 13.22%           |
| NJ    | S  | \$1,580,668            | \$553,513              | \$1,540,860            | \$514,828              | 2.58%                          | 7.51%            |
| NM    | S  | \$716,497              | \$330,657              | \$479,382              | \$256,983              | 49.46%                         | 28.67%           |
| NV    | S  | \$598,966              | \$300,347              | \$420,475              | \$256,983              | 42.45%                         | 16.87%           |
| NY    | S  | \$3,493,641            | \$1,046,838            | \$4,325,273            | \$1,400,881            | -19.23%                        | -25.27%          |
| OH    | S  | \$2,557,264            | \$805,362              | \$2,935,874            | \$1,013,530            | -12.90%                        | -20.54%          |
| OK    | S  | \$1,061,637            | \$419,663              | \$923,719              | \$309,330              | 14.93%                         | 35.67%           |
| OR    | S  | \$949,888              | \$390,844              | \$746,575              | \$265,181              | 27.23%                         | 47.39%           |
| PA    | S  | \$2,681,442            | \$837,385              | \$3,219,197            | \$1,064,649            | -16.70%                        | -21.35%          |
| PR    | S  | \$1,994,981            | \$660,357              | \$2,468,561            | \$833,381              | -19.18%                        | -20.76%          |
| RI    | S  | \$546,538              | \$286,827              | \$420,475              | \$256,983              | 29.98%                         | 11.61%           |
| SC    | S  | \$1,158,015            | \$444,517              | \$1,059,457            | \$368,308              | 9.30%                          | 20.69%           |
| SD    | S  | \$306,040              | \$276,383              | \$420,475              | \$256,983              | 20.35%                         | 7.59%            |
| TN    | S  | \$1,410,387            | \$509,600              | \$1,467,752            | \$501,045              | -3.91%                         | 1.71%            |
| TX    | S  | \$3,910,779            | \$1,154,412            | \$4,520,882            | \$1,512,532            | -13.50%                        | -23.68%          |
| UT    | S  | \$773,671              | \$345,401              | \$548,942              | \$256,983              | 40.94%                         | 34.41%           |
| VA    | S  | \$1,518,137            | \$537,387              | \$1,429,585            | \$502,535              | 6.19%                          | 6.94%            |
| VT    | S  | \$464,971              | \$265,792              | \$420,475              | \$256,983              | 10.58%                         | 3.43%            |
| WA    | S  | \$1,317,816            | \$485,727              | \$1,147,367            | \$388,246              | 14.86%                         | 25.11%           |
| WI    | S  | \$1,346,259            | \$493,062              | \$1,319,250            | \$457,443              | 2.05%                          | 7.79%            |
| WV    | S  | \$787,321              | \$348,921              | \$809,383              | \$278,339              | -2.73%                         | 25.36%           |
| WY    | S  | \$449,732              | \$261,862              | \$420,475              | \$256,983              | 6.96%                          | 1.90%            |
| AS    | T  | \$276,111              | \$152,282              | \$220,750              | \$137,485              | 25.08%                         | 10.76%           |
| GU    | T  | \$279,114              | \$153,057              | \$220,750              | \$137,485              | 26.44%                         | 11.33%           |
| NR    | T  | \$261,517              | \$148,519              | \$220,750              | \$137,485              | 18.47%                         | 8.03%            |
| PW    | T  | \$254,476              | \$146,703              | \$220,750              | \$137,485              | 15.28%                         | 6.70%            |
| VI    | T  | \$273,903              | \$151,713              | \$220,750              | \$137,485              | 24.08%                         | 10.35%           |
| ZI    | T  |                        | \$144,655              |                        | \$137,485              |                                | 5.21%            |

Exhibit A-6

Simulation 5: Elimination of the Outcomes Factor

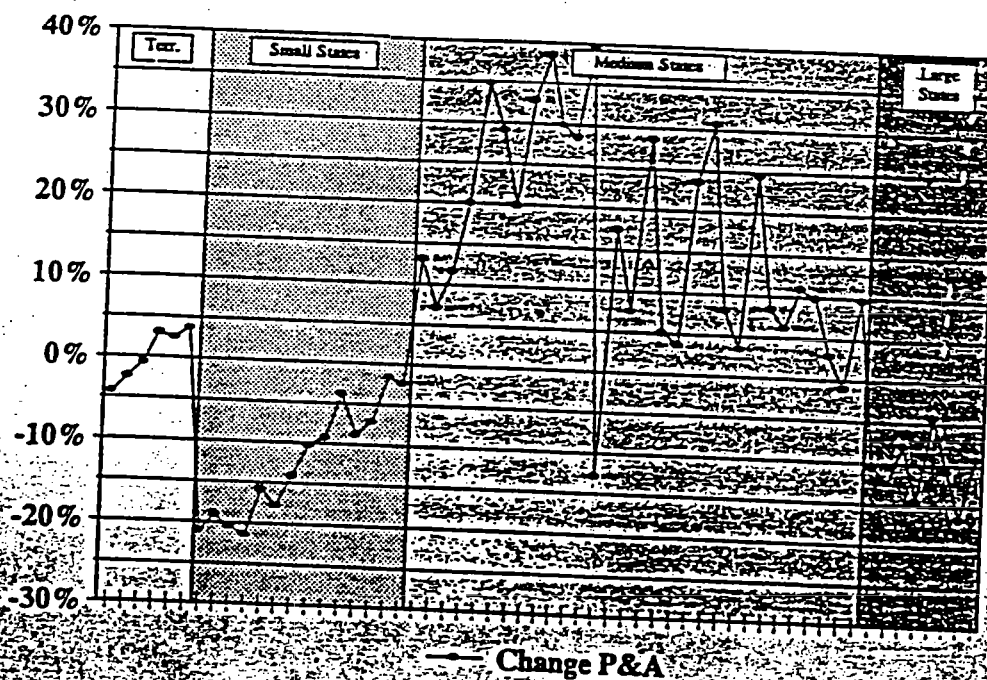
| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 74% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 26% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 0%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Percent Loss or Gain in Allotments

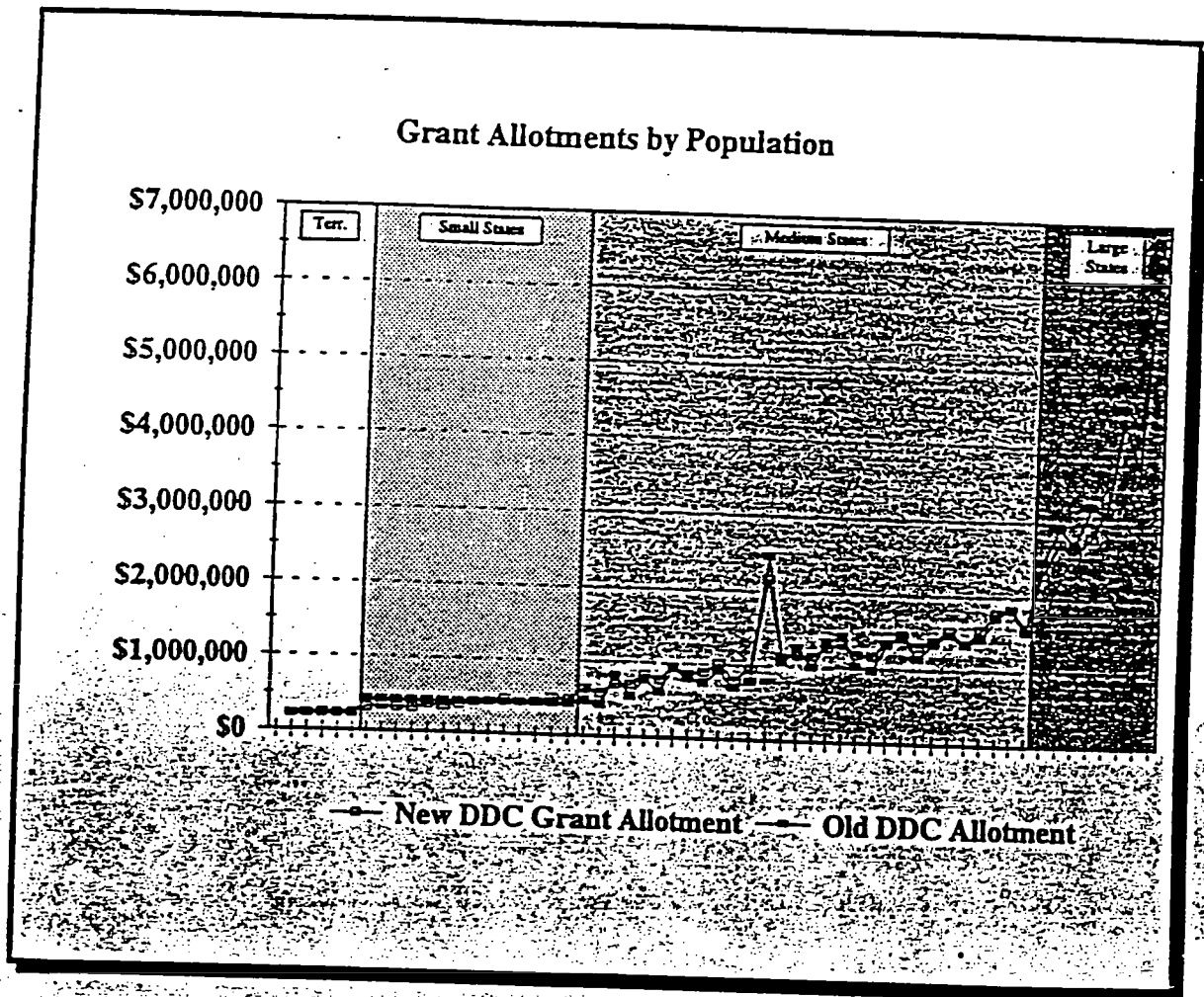


| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 74% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 26% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 0%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Percent Loss or Gain in Allotments



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 74% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 26% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 0%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |



| Formula Parameters           |     | Formula Factors               |              |              |
|------------------------------|-----|-------------------------------|--------------|--------------|
| PCI/Population Factor Weight | 74% |                               | DDC Grant    | P & A Grant  |
| Population Factor Weight     | 26% | Total Appropriations          | \$70,438,000 | \$26,300,820 |
| Outcome Measures Weight      | 0%  | State Base (% Tot. Appr.)     | 0.30%        | 0.65%        |
| Individual Outcome Measures  |     | State Base Allotment          | \$211,314    | \$170,955    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.) | 0.30%        | 0.50%        |
| PwD Entering Employment      | 50% | Territory Base Allotment      | \$211,314    | \$131,504    |

Grant Allotments by Population

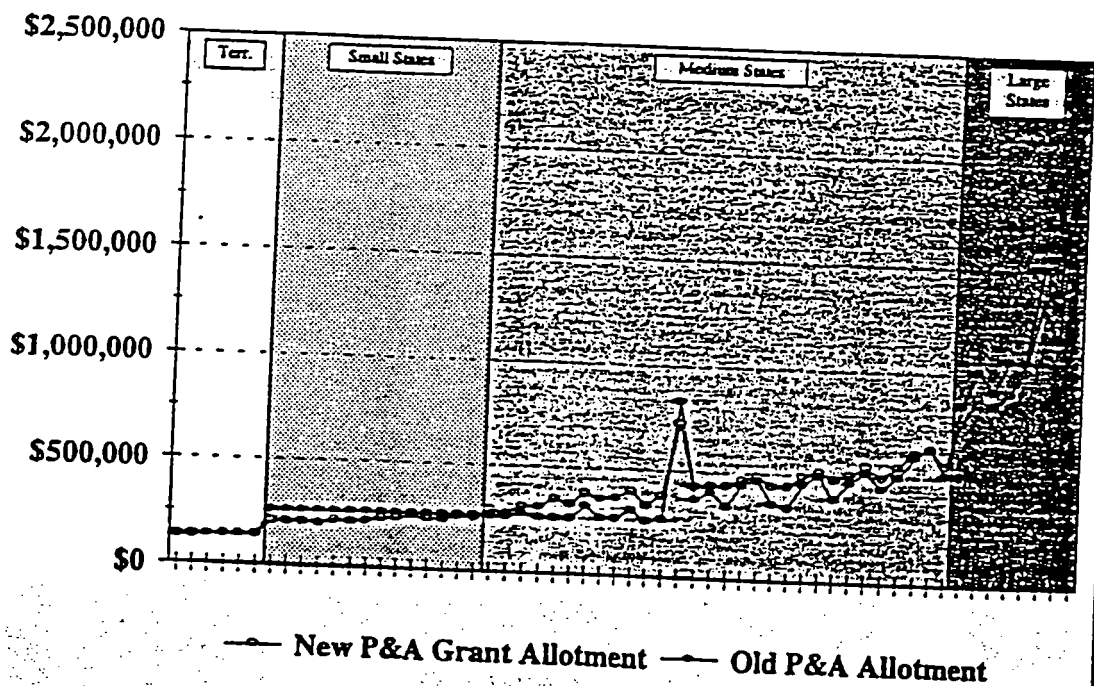


Exhibit A-6(5)

| Formula Parameters           |     | Formula Factors                    |  |              |
|------------------------------|-----|------------------------------------|--|--------------|
| PCI/Population Factor Weight | 74% | DDC Grant                          |  | P & A Grant  |
| Population Factor Weight     | 26% | Total Appropriations               |  | \$70,438,000 |
| Outcome Measures Weight      | 0%  | State Base (% Tot. Appr.)          |  | 0.30%        |
| Individual Outcome Measures  |     | State Base Allocation              |  | \$211,314    |
| PwDD in School               | 50% | Territory Base (% Tot. Appr.)      |  | 0.30%        |
| PwD Emerging Employment      | 50% | Territory Base Allocation          |  | \$211,314    |
| States                       | 52  | National Per Capita Income (FY 95) |  | \$19,317     |
| Territories                  | 6   |                                    |  | \$19,317     |

| State | ST | New Formula            |                        | Old Formula            |                        | Pct. Difference<br>(New-Old) |                  |
|-------|----|------------------------|------------------------|------------------------|------------------------|------------------------------|------------------|
|       |    | DDC Grant<br>Allotment | P&A Grant<br>Allotment | FY 95 DDC<br>Allotment | FY 95 P&A<br>Allotment | DDC<br>Allotment             | P&A<br>Allotment |
| AK    | S  | \$328,714              | \$204,374              | \$420,475              | \$256,983              | -21.82%                      | -20.47%          |
| AL    | S  | \$1,262,869            | \$470,290              | \$1,345,843            | \$447,562              | -6.17%                       | 5.08%            |
| AR    | S  | \$846,973              | \$351,901              | \$768,612              | \$261,077              | 10.20%                       | 34.79%           |
| AZ    | S  | \$1,142,500            | \$436,026              | \$998,958              | \$339,216              | 14.37%                       | 28.54%           |
| CA    | S  | \$6,534,828            | \$1,971,000            | \$6,423,100            | \$2,170,899            | 1.74%                        | -9.21%           |
| CO    | S  | \$957,342              | \$383,319              | \$783,442              | \$274,638              | 22.20%                       | 39.57%           |
| CT    | S  | \$788,476              | \$335,250              | \$696,655              | \$261,125              | 13.18%                       | 28.39%           |
| DC    | S  | \$319,440              | \$201,734              | \$420,475              | \$256,983              | -24.03%                      | -21.50%          |
| DE    | S  | \$352,396              | \$211,116              | \$420,475              | \$256,983              | -16.19%                      | -17.85%          |
| FL    | S  | \$3,180,371            | \$1,016,124            | \$3,116,963            | \$1,061,995            | 2.03%                        | -4.32%           |
| GA    | S  | \$1,780,293            | \$617,579              | \$1,712,762            | \$600,071              | 3.58%                        | 2.92%            |
| HI    | S  | \$448,078              | \$238,352              | \$420,475              | \$256,983              | 6.56%                        | -7.25%           |
| IA    | S  | \$864,200              | \$356,805              | \$806,646              | \$268,927              | 7.13%                        | 32.68%           |
| ID    | S  | \$477,967              | \$246,861              | \$420,475              | \$256,983              | 13.67%                       | -3.94%           |
| IL    | S  | \$2,590,486            | \$848,208              | \$2,703,092            | \$922,510              | -4.17%                       | -7.85%           |
| IN    | S  | \$1,536,464            | \$548,171              | \$1,475,995            | \$516,778              | 4.10%                        | 6.07%            |
| KS    | S  | \$775,294              | \$331,497              | \$617,182              | \$256,983              | 25.62%                       | 29.00%           |
| KY    | S  | \$1,159,219            | \$440,785              | \$1,250,972            | \$409,878              | -7.33%                       | 7.54%            |
| LA    | S  | \$1,330,170            | \$589,448              | \$1,423,598            | \$472,425              | -6.56%                       | 3.60%            |
| MA    | S  | \$1,359,736            | \$497,864              | \$1,341,702            | \$448,634              | 1.34%                        | 10.97%           |
| MD    | S  | \$1,171,833            | \$444,376              | \$976,916              | \$340,314              | 19.95%                       | 30.58%           |
| ME    | S  | \$499,313              | \$252,937              | \$420,475              | \$256,983              | 18.75%                       | -1.57%           |
| MI    | S  | \$2,297,232            | \$764,731              | \$2,475,657            | \$853,469              | -7.21%                       | -10.40%          |
| MN    | S  | \$1,181,819            | \$447,218              | \$1,039,371            | \$361,941              | 13.71%                       | 23.56%           |
| MO    | S  | \$1,393,646            | \$507,517              | \$1,342,585            | \$467,953              | 3.80%                        | 8.45%            |
| MS    | S  | \$961,363              | \$384,463              | \$942,999              | \$320,466              | 1.95%                        | 19.97%           |
| MT    | S  | \$420,220              | \$230,422              | \$420,475              | \$256,983              | -0.06%                       | -10.34%          |
| NC    | S  | \$1,844,244            | \$635,783              | \$1,830,536            | \$642,100              | 0.75%                        | -0.98%           |
| ND    | S  | \$370,489              | \$216,266              | \$420,475              | \$256,983              | -11.89%                      | -15.84%          |
| NE    | S  | \$578,132              | \$275,373              | \$425,955              | \$256,983              | 35.73%                       | 7.16%            |
| NH    | S  | \$433,493              | \$234,200              | \$420,475              | \$256,983              | 3.10%                        | -8.87%           |
| NU    | S  | \$1,594,026            | \$564,557              | \$1,540,860            | \$514,828              | 3.45%                        | 9.66%            |
| NM    | S  | \$631,033              | \$290,432              | \$479,382              | \$256,983              | 31.63%                       | 13.02%           |
| NV    | S  | \$492,462              | \$250,987              | \$420,475              | \$256,983              | 17.12%                       | -2.33%           |
| NY    | S  | \$3,714,954            | \$1,168,298            | \$4,325,273            | \$1,400,881            | -14.11%                      | -16.60%          |
| OH    | S  | \$2,728,449            | \$887,480              | \$2,935,874            | \$1,013,530            | -7.07%                       | -12.44%          |
| OK    | S  | \$1,022,472            | \$401,859              | \$923,719              | \$309,330              | 10.69%                       | 29.91%           |
| OR    | S  | \$901,058              | \$367,297              | \$746,575              | \$265,181              | 20.69%                       | 38.51%           |
| PA    | S  | \$2,809,789            | \$910,635              | \$3,219,197            | \$1,064,649            | -12.72%                      | -14.47%          |
| PR    | S  | \$2,164,893            | \$727,059              | \$2,468,561            | \$833,381              | -12.30%                      | -12.76%          |
| RJ    | S  | \$430,062              | \$233,224              | \$420,475              | \$256,983              | 2.28%                        | -9.25%           |
| SC    | S  | \$1,130,657            | \$432,654              | \$1,059,457            | \$368,308              | 6.72%                        | 17.47%           |
| SD    | S  | \$386,663              | \$220,870              | \$420,475              | \$256,983              | -8.04%                       | -14.05%          |
| TN    | S  | \$1,430,867            | \$518,112              | \$1,467,752            | \$501,045              | -2.51%                       | 3.41%            |
| TX    | S  | \$4,355,077            | \$1,350,514            | \$4,520,882            | \$1,512,532            | -3.67%                       | -10.71%          |
| UT    | S  | \$694,567              | \$308,517              | \$548,942              | \$256,983              | 26.53%                       | 20.05%           |
| VA    | S  | \$1,549,303            | \$551,826              | \$1,429,585            | \$502,535              | 8.37%                        | 9.81%            |
| VT    | S  | \$341,295              | \$207,956              | \$420,475              | \$256,983              | -18.83%                      | -19.08%          |
| WA    | S  | \$1,309,446            | \$483,548              | \$1,147,367            | \$388,246              | 14.13%                       | 24.55%           |
| WI    | S  | \$1,348,168            | \$494,571              | \$1,319,250            | \$457,443              | 2.19%                        | 8.12%            |
| WV    | S  | \$701,690              | \$310,545              | \$809,383              | \$278,339              | -13.31%                      | 11.57%           |
| WY    | S  | \$322,024              | \$202,470              | \$420,475              | \$256,983              | -23.41%                      | -21.21%          |
| AS    | T  | \$246,966              | \$141,653              | \$220,750              | \$137,485              | 11.88%                       | 3.03%            |
| GU    | T  | \$250,301              | \$142,602              | \$220,750              | \$137,485              | 13.39%                       | 3.72%            |
| NR    | T  | \$229,308              | \$136,626              | \$220,750              | \$137,485              | 3.88%                        | -0.62%           |
| PW    | T  | \$220,821              | \$134,210              | \$220,750              | \$137,485              | 0.03%                        | -2.38%           |
| VI    | T  | \$244,048              | \$140,822              | \$220,750              | \$137,485              | 10.55%                       | 2.43%            |
| ZI    | T  |                        | \$131,504              |                        | \$137,485              |                              | -4.35%           |

Population and Per Capita Income

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