

# Oversight Division

Committee On Legislative Research

Program Evaluation:  
Area Agencies on Aging  
Congregate and Home-Delivered  
Meal Program

*Prepared for the Committee on Legislative Research  
by the Oversight Division*

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*March, 2001*

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# COMMITTEE ON LEGISLATIVE RESEARCH

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STATE CAPITOL  
JEFFERSON CITY, MISSOURI 65101-6806

March 14, 2001

Members of the General Assembly:

The Joint Committee on Legislative Research adopted a resolution in May, 2000, directing the Oversight Division to perform a program evaluation of the Area Agencies on Aging Congregate and Home-Delivered Meal Program which included the examination of records and procedures of the Missouri Department of Social Services - Division of Aging to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation.

The accompanying report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates.

Respectfully,

A handwritten signature in cursive script that reads "Larry Rohrbach".

Senator Larry Rohrbach  
Chairman

## EXECUTIVE SUMMARY

Congregate and Home-Delivered Meals are the two largest programs administered by Area Agencies on Aging (AAA's). The AAA's were created through 1973 amendments to the federal Older Americans Act of 1965. They are locally controlled and operated organizations which may be part of local government, regional Councils of Government, or independent nonprofit organizations. The AAA's provide community based services to meet the special needs of the 60 and over population. In state fiscal year 1999, the General Assembly approved measures to allow home-delivered meals to be covered under the Medicaid program. Beginning in July, 1999, the AAA's were able to bill Medicaid for meals delivered to eligible participants. This, along with additional state general revenue funds appropriated for the purpose of increasing the availability of home-delivered meals, has allowed for a significant expansion of the home-delivered meal program. The number of home-delivered meals served has increased from 4.3 million in FY98 to 5.9 million in FY00, or 36%. In FY00, a total of \$22.5 million in federal and state funding was distributed to AAA's to provide congregate and home-delivered meals to the elderly and disabled. This funding helped provide a total of 9.5 million congregate and home-home delivered meals.

During the course of Oversight's evaluation it was determined that funding to the AAA's for the meal programs was based on a population-driven formula. Because some areas served more meals per capita than others, there seemed to be a disparity in funding for the program. For instance, the average funding in state fiscal year 2000 per congregate meal served in the Central area was \$1.47, while the average funding per congregate meal served in the St. Louis area was \$3.72. Central area's cost of providing the meal exceeded their funding, forcing them to do local fund-raising to make up the difference. In state fiscal year 2000, the average funding of a home-delivered meal served in the Southeast area was \$1.27, while the average funding of a home-delivered meal in the MidEast area was \$4.59. Federal funds available to the program must be distributed based on a formula which includes the number of persons in the area taking into account the number of elderly, low income, handicapped and other factors. However, the number of meals served is not factored into the formula. Oversight was unable to determine why the nutrition programs seemed to be more utilized in some areas of the state than others. While federal funding allocations must be tied to specific population criteria, Oversight recommends state funding for the program be distributed based on meals served in order to alleviate the disparity among the areas. Currently, staffing of the programs varies widely from one area to another. In addition, in some areas as much as 50% of the funding for the senior centers must be obtained through local fund-raising which is conducted by the participants. In other areas fund-raising is not a significant source of income for these nutrition programs.

In 1992, the General Assembly passed Senate Bill 573 & 634 authorizing the Elderly Home Delivered Meal Trust Fund. Revenues to the fund come from contributions from Missouri taxpayers through their individual income tax returns. In fiscal year 1999 collections totaled \$73,739 and in fiscal year 2000, collections totaled \$127,493. In 1998, the Legislature capped the amount of collection costs the Department of Revenue could retain; however, Oversight

determined the DOR had charged the fund more than the allowable 5% for collection costs. Consequently, Oversight recommends the DOR reimburse the fund \$31,156. Oversight commented on weaknesses in internal control policies and procedures of the AAA's which may be contributing to inaccurate meal count reporting to the United States Department of Agriculture, another funding source for the program.

The Oversight Division did not audit departmental or area agency financial statements and, accordingly does not express an opinion on them. Oversight wishes to acknowledge the cooperation and assistance of Division of Aging staff as well as staff in the Area Agencies during the evaluation process.

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized and cursive.

Jeanne Jarrett, CPA  
Director, Oversight Division

## **Chapter 1 - Introduction**

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### **Purpose**

The General Assembly has provided by law that the Committee on Legislative Research may have access to and obtain information concerning the needs, organization, functioning, efficiency and financial status of any department of state government or of any institution that is supported in whole or in part by revenues of the State of Missouri. The General Assembly has further provided by law for the organization of an Oversight Division of the Committee on Legislative Research and, upon adoption of a resolution by the General Assembly or upon adoption of a resolution by the Committee on Legislative Research, for the Oversight Division to make investigations into legislative and governmental institutions of this state to aid the General Assembly.

The Committee on Legislative Research directed the Oversight Division to perform a program evaluation and expenditure review of the Area Agencies on Aging Congregate and Home-Delivered Meal Program for the purpose of providing information to the General Assembly regarding proposed legislation and appropriation bills.

### **Background**

Area Agencies on Aging (AAAs) were created through the 1973 amendments to the Older Americans Act of 1965. The AAAs are locally controlled and operated organizations which may be part of local government, regional Councils of Government, or independent nonprofit organizations. The agencies provide comprehensive, coordinated community-based services to meet the special needs of the 60 and over population. These services are geared toward securing and maintaining maximum independence and dignity in a home environment for older individuals capable of self-care with appropriate supportive services. The State of Missouri is divided into ten Area Agencies on Aging. Each AAA plans and coordinates programs and services for senior citizens within specifically defined geographic boundaries. Because of the diverse characteristics of Missouri's planning and service regions, the AAAs design their services to fit the needs of older persons in their geographic area. The AAAs maintain a professional staff which is supplemented by volunteers, governed by a board of directors or elected officials, and reviewed by an advisory council consisting primarily of older



persons from the community boards.

Each AAA is required to submit an area plan for review and approval based upon a standard format developed by the Division of Aging. The plan addresses how the AAA will administer agency programs for a four-year period. April 1<sup>st</sup> is the deadline for submission of the area plan for the upcoming fiscal year.

Federal regulations require the state to establish a plan to allocate funds to the Area Agencies on Aging. In Missouri, the allocation of federal and state funds to the ten AAAs is based on the proportion of the population in each planning and service area (PSA) as calculated by using the following four factors:

1. All individuals in each PSA sixty years of age or older (25%);
2. All individuals in each PSA sixty years of age or older who are considered low income (25%);
3. All individuals in each PSA sixty years of age or older who are considered low-income minorities (25%); and
4. All individuals in each PSA sixty years of age or older who are in the greatest social need, based upon the following four categories:
  - a. Physical or mental disability (6.25%);
  - b. Language barrier (limited English) (6.25%);
  - c. Geographically isolated (rural areas) (6.25%);and
  - d. Culturally or socially isolated (minorities) (6.25%).

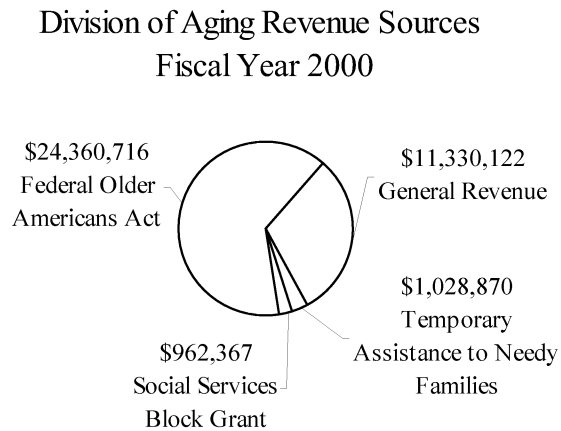
OVERSIGHT DIVISION  
Area Agencies on Aging Congregate and Home-Delivered Meal Program  
Program Evaluation 2000

For fiscal years 1998, 1999, and 2000, federal and state funds were allocated to the ten AAAs as follows:

	FY 2000		FY 1999		FY 1998	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Southwest	\$4,281,271	13%	\$4,252,498	13%	\$3,945,217	13%
Southeast	\$4,086,085	10%	\$4,244,564	10%	\$3,834,528	11%
District III	\$2,457,334	7%	\$2,339,585	7%	\$2,148,266	7%
Northwest	\$2,558,224	6%	\$2,467,354	6%	\$2,301,557	6%
Northeast	\$2,236,739	6%	\$2,161,912	6%	\$2,069,687	6%
Central	\$4,058,710	11%	\$4,104,382	11%	\$3,707,834	11%
MARC	\$5,027,999	14%	\$4,765,086	14%	\$4,414,306	14%
Mid-East	\$7,140,466	21%	\$6,891,508	20%	\$6,645,097	20%
St. Louis	\$4,451,027	8%	\$3,768,874	9%	\$3,670,455	9%
Region X	\$1,384,220	4%	\$1,346,279	4%	\$1,299,131	4%
Totals	\$37,682,075	100%	\$36,342,042	100%	\$34,036,078	100%

Data used to compute the AAA allocation percentages was originally based on the 1990 census data. The percentages for the total population 60 years of age or older are adjusted slightly on an annual basis based upon estimated population shifts as determined by the state demographer within the Office of Administration.

Revenue distributed to the AAAs is funded primarily from the Federal Older Americans Act, State General Revenue, and the Social Services Block Grant. The pie chart below summarizes the revenue sources for fiscal year 2000.



The AAAs are required to submit Monthly Service and Expenditure Reports (MSERs) to the Division of Aging for reimbursement of actual expenditures. The reports itemize expenditures by funding category and program. Payments are made for qualified expenditures that are within the annual budget included in the area plan.

Independent auditors perform annual financial and compliance audits of the Area Agencies on Aging. Compliance audits are conducted in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Division of Aging mandated audit criteria.

In addition to annual independent audits, the Division of Aging (DA) does on-site monitoring visits to the AAAs on a biennial basis. Division of Aging staff review program policies and procedures and issue a report of their findings to the Board of Directors of the agency.

The two largest programs administered by the AAAs are the Congregate and Home-Delivered Meals Programs. Each Area Agency on Aging has senior centers throughout its planning and service area. The senior centers are the focal points for the actual delivery of the nutrition programs. There are currently 287 senior centers located around the state in both urban and rural settings. Some senior centers are directly managed by the AAAs while others are contracted for nutrition services.

Division of Aging funds received by the AAAs for nutrition services are distributed to the senior centers within their planning and service areas according to the number of meals served. The AAAs develop annual budgets for the senior centers based on the projected number of meals served. The annual budgets take into consideration the amount of funding available from the Division of Aging, USDA funds earned per eligible meal served, contributions received from participants, and local funds required to support the program.

In fiscal year 1999, the state legislature approved measures to allow home-delivered meals to be covered under the Medicaid program. Beginning in July 1999, the AAAs were able to bill Medicaid for meals delivered to eligible participants. This along with additional state general revenue funds appropriated for the purpose of increasing the availability of home-delivered meals has allowed for a significant expansion of the home-delivered meal program. The number of home-delivered meals served has increased from 434,746 in fiscal year 1998 to 594,909 in fiscal year 2000, an increase of 36%.

Created in 1993, the Division of Aging Elderly Home Delivered Meals Trust Fund also provides funding for the program. Per Section 660.078, RSMo Supp. 1999, individuals or corporations may designate on their tax returns that part of the refund due be credited to the fund. If an individual or corporation which is not entitled to a tax refund wishes to make a contribution to the trust fund, such individual or corporation may send in with the payment of taxes, the amount the individual or corporation wishes to contribute to the fund. The Division of Aging will supplement the funding available to the AAAs for the home-delivered meal program with moneys from the trust fund as its balance allows.

## **Objectives**

The evaluation of the Area Agencies on Aging Congregate and Home-Delivered Meal Program included the inspection of records for the purpose of providing information to the General Assembly for their consideration of proposed legislation and appropriation bills. The Oversight Division's evaluation focused on the distribution of funds to the ten Area Agencies on Aging, the amount of oversight the Division of Aging has over the AAAs, and the internal control policies and procedures of the AAAs related to the nutrition program.

## **Scope/Methodology**

Our evaluation included conducting interviews with Division of Aging personnel; reviewing statutes, federal and state regulations; surveying policies and procedures; examining financial records; testing of samples of transactions; and performing site visits to three Area Agencies on Aging. Our scope was not limited to any specific fiscal years; however, most of the information examined was from the three fiscal years ended June 30, 2000.

## Chapter 2 -Allocation of Funds

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**Comment 1:**

**The Division of Aging funding allocation formula does not take into account the actual number of meals served by the AAA.**

Our review of the amount of Division of Aging funds distributed to the ten AAAs as compared to the number of meals they served for both the congregate and home-delivered meal programs revealed a significant disparity among the agencies. The funding allocation formula for all Division of Aging funds is based on the number of individuals 60 years of age or older within the planning and service area. As a result, the more highly populated areas of the state, the metropolitan areas, receive a larger proportion of the funds than the AAAs that are more rural.

Under the current funding allocation formula, Division of Aging funds were distributed to the ten AAAs as follows for fiscal year 2000 for the Congregate and Home-Delivered Meal Programs:

### HOME- DELIVERED MEAL PROGRAM

	<u>Division of Aging Funding</u>	<u>Number of meals served</u>	<u>Average funding per meal</u>
Southeast	\$1,608,204	1,267,406	\$1.27
Central	\$1,675,967	1,071,253	\$1.56
Northeast	\$824,744	417,988	\$1.97
Northwest	\$1,075,565	470,876	\$2.28
Southwest	\$1,406,355	614,645	\$2.29
District III	\$793,585	334,487	\$2.37
Region X	\$546,550	197,077	\$2.77
St. Louis	\$1,758,880	511,424	\$3.44
MARC	\$2,063,767	470,958	\$4.38
MidEast	\$2,720,404	592,974	\$4.59

\*Please note that Division of Aging funding for fiscal year 2000 is unaudited. See Appendix 1 for additional analyses of Division of Aging funding per meal served for fiscal years 1999 and 1998.

**CONGREGATE MEAL PROGRAM**

	<b>Division of Aging <u>Funding</u></b>	<b>Number of Meals <u>served</u></b>	<b>Average funding <u>per meal</u></b>
Central	\$867,002	591,343	\$1.47
Southeast	\$837,585	514,664	\$1.63
District III	\$539,699	327,795	\$1.65
Northeast	\$549,693	332,261	\$1.65
Northwest	\$548,035	303,446	\$1.81
Region X	\$378,084	148,609	\$2.54
Southwest	\$1,297,049	465,163	\$2.79
MidEast	\$1,555,293	442,939	\$3.51
MARC	\$844,585	232,601	\$3.63
St. Louis	\$615,303	165,404	\$3.72

Since funds are allocated to the AAAs based solely on population and no consideration is given to the number of actual meals served, the AAAs located in the metropolitan areas receive more funding despite the fact they serve fewer meals than some AAAs in other areas. As a result, these AAAs have more funds available to spend on additional staff and equipment as well as nicer facilities. Also, local fund-raising is not as critical for these nutrition programs. Conversely, for the AAAs in rural areas, one person may serve as administrator over several different senior centers. At these centers, participant information is maintained on manual records stored in boxes rather than a computer system with a participant data base. In addition, as much as 50% of the funding for the senior centers must be obtained through local fund-raising which is conducted by the participants.

The Older Americans Act of 1965 states that the State agency (Missouri Division of Aging) shall disburse the federal monies received for these programs under a formula that takes into account the determining factors mentioned earlier, individuals in each PSA sixty years of age or older,

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Area Agencies on Aging Congregate and Home-Delivered Meal Program  
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sixty years of age or older who are considered low income, sixty years of age or older who are considered low-income minorities, and finally sixty years of age or older who are in the greatest social need. Missouri statutes (RSMo 660.099 (1) and (3)) state that the general assembly may appropriate funds in addition to the amount currently being provided for these programs, and that these funds shall be allocated to the Missouri Division of Aging to be placed on the formula basis and distributed to each area agency on aging throughout the state. Therefore, the Division of Aging disburses both the federal and the state funds using the same formula.

Oversight recommends the General Assembly review the funding formula currently being used to allocate state funds to the AAAs, and in conjunction with the Division of Aging and the local AAAs, determine if a more equitable distribution of funds based on actual number of meals served could be utilized by the nutrition programs.

### **Chapter 3 - USDA Meal Counts**

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**Comment 2:**

**The Area Agencies on Aging internal control policies and procedures do not always detect errors in reporting USDA-eligible meals served to the Division of Aging.**

The United States Department of Agriculture reimburses the Area Agencies on Aging for qualified meals served to eligible recipients. The internal control policies and procedures implemented by various senior centers and Area Agencies on Aging allow discrepancies to exist between the actual meals served and the meals counts submitted for reimbursement

Senior center staff tally daily totals of congregate and home-delivered meals served and document the number of meals served to USDA-eligible recipients. On a monthly basis, the senior centers will report to the AAA the total number of meals served. The AAA will then summarize the total meals served by all senior centers within its planning and service area in a report given to the Division of Aging. The Division of Aging will then report the meal counts to the

USDA for reimbursement, which is usually about \$.55 per meal.

Our review of the meal documentation from three senior centers noted several instances where internal control policies and procedures were ineffective and allowed the following errors to occur:

- Home-delivered meals were counted that were not signed for by the participant. The delivery sheet even stated that the participant was not home to receive the meal.
- Some planning and service areas have requested and received a waiver from the Division of Aging stating that their home-delivered meals route driver may sign and validate the delivery route sheet instead of each individual participant. We noted an instance where the driver failed to sign the delivery route sheet to validate that all of the meals indicated were in fact delivered to the eligible participants.

Transposition errors occurred in reporting meal counts to the Division of Aging.

- Differences existed between the number of meals reflected on the signed meal count sheets and the number of meals reported to the Area Agency on Aging by the senior center.

The inaccurate reporting of USDA meal counts to the Division of Aging could result in an overpayment or underpayment of USDA funds to the AAA.

Oversight recommends the Division of Aging ensure the Area Agencies on Aging as well as the individual senior centers develop adequate internal control policies and procedures to assure the meal count reported for reimbursement accurately reflects the actual meals served to eligible participants.



## Chapter 4 - Home-Delivered Meals Trust Fund

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### Comment 3:

**The Department of Revenue is charging the Elderly Home Delivered Meals Trust Fund for expenses in excess of the 5% ceiling allowed by statute.**

The Department of Revenue is charged with collecting contributions made by Missouri taxpayers to the Elderly Home Delivered Meals Trust Fund. Section 660.078, RSMo Supp. 1999 authorizes the Department of Revenue to keep 5% of collections to defray the costs of collection and administration of the fund. Our review noted the Department of Revenue is not abiding by the 5% ceiling by overcharging the fund for expense reimbursement. The home-delivered meals program, as administered by the Division of Aging and the ten Area Agencies on Aging throughout Missouri, uses these funds to supplement the federal and state moneys allocated to the program.

In 1998, the state legislature passed Senate Bill 793, which limited administrative costs of the Department of Revenue for collecting and handling contributions made to the Elderly Home Delivered Meals Trust Fund to no more than 5% of the contribution amount with an effective date of August 1998. Therefore, for fiscal years 1999 and 2000, the Department of Revenue could charge no more than 5% of the collections of the fund to cover their administrative costs.

According to the State Treasurer's Office, collections for fiscal years 1999 and 2000 were \$73,739 and \$127,493, respectively. The 5% expense cap applied to these years would allow the Department of Revenue to charge expenses to the Elderly Home Delivered Meals Trust Fund of \$3,686 and \$6,374 in the last two fiscal years. Department of Revenue expenditures out of this fund were \$20,375 and \$20,841 for fiscal years 1999 and 2000, respectively. Therefore, the Department of Revenue has overcharged the Home Delivered Meals Trust Fund by \$16,689 and \$14,467 in fiscal years 1999 and 2000.

Oversight recommends the General Assembly encourage the Department of Revenue to comply immediately with Section 660.078 (2), RSMo Supp. 1999. In addition, the Department should reimburse the Elderly Home Delivered

Meals Trust Fund for the expenditures charged in excess of 5% of the collections to the fund for fiscal years 1999 and 2000.



## **APPENDIX I**



## HOME-DELIVERED MEAL PROGRAM

### SFY 1998

	<b>Division of Aging Funding</b>	<b>Number of meals served</b>	<b>Average funding per meal</b>
Central	\$ 1,108,064	691,508	\$ 1.60
Southeast	1,383,122	741,528	1.87
Northeast	676,640	360,868	1.88
District III	478,134	247,414	1.93
Northwest	810,438	364,353	2.22
Southwest	1,010,414	400,436	2.52
Region X	504,967	166,262	3.04
St. Louis	1,535,427	467,952	3.28
MARC	1,544,484	368,804	4.19
MidEast	2,343,790	538,331	4.35

### SFY 1999

	<b>Division of Aging Funding</b>	<b>Number of meals served</b>	<b>Average funding per meal</b>
Southeast	\$ 1,596,307	980,840	\$ 1.63
Central	1,630,935	900,742	1.81
District III	552,057	297,327	1.86
Northeast	765,302	382,225	2.00
Northwest	988,155	424,311	2.33
Region X	491,328	178,629	2.75
St. Louis	1,385,143	491,098	2.82
Southwest	1,463,769	518,713	2.82
MARC	2,023,107	425,954	4.75
MidEast	2,786,209	556,758	5.00

## CONGREGATE MEAL PROGRAM

SFY 1998

	<b>Division of Aging Funding</b>	<b>Number of meals served</b>	<b>Average funding per meal</b>
Central	\$ 789,837	541,388	\$ 1.46
Northeast	536,874	322,874	1.66
District III	564,498	337,380	1.67
Southeast	864,230	514,015	1.68
Northwest	557,279	297,480	1.87
Region X	377,337	148,604	2.54
MidEast	1,583,319	480,644	3.29
St. Louis	638,747	183,575	3.48
Southwest	1,560,472	436,462	3.58
MARC	849,369	223,914	3.79

SFY 1999

	<b>Division of Aging Funding</b>	<b>Number of meals served</b>	<b>Average funding per meal</b>
Southeast	\$ 748,269	511,841	\$ 1.46
Northeast	527,148	323,437	1.63
Northwest	541,312	300,496	1.80
Central	1,031,990	564,187	1.83
District III	645,042	349,931	1.84
Region X	379,383	151,206	2.51
Southwest	1,246,475	449,662	2.77
MidEast	1,482,327	452,410	3.28
St. Louis	615,326	172,754	3.56
MARC	846,696	228,413	3.71

**Area Agencies on Aging**  
**Breakout of Division of Aging funding provided to AAAs**  
**For the three fiscal years 1998, 1999 and 2000**

	1998		1999		2000	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
<b>Federal</b>						
Title III	17,228,700		17,396,363		17,630,159	
Title III - B & Title VII Omb.	-		-		195,049	
Title V	2,133,066		2,137,216		2,138,793	
USDA reimbursement	4,225,307		4,561,464		4,463,087	
Social Services Block Grant	2,961,474		2,774,022		860,498	
Temp. Assist.for Needy Familiys	-		-		<u>1,028,870</u>	
<b>Total Federal</b>	<b>26,548,547</b>	<b>78.00%</b>	<b>26,869,065</b>	<b>73.93%</b>	<b>26,316,456</b>	<b>69.69%</b>
<b>State</b>						
General Revenue	6,853,961		8,925,753		11,075,841	
Special Programs	<u>556,058</u>		<u>485,000</u>		<u>369,085</u>	
<b>Total State</b>	<b>7,410,019</b>	<b>21.77%</b>	<b>9,410,753</b>	<b>25.89%</b>	<b>11,444,926</b>	<b>30.31%</b>
<b>Missouri Taxpayers Donations</b>						
HD Meals Check off	<u>77,512</u>		<u>62,224</u>		<u>-</u>	
<b>Total HDMF donations</b>	<b>77,512</b>	<b>0.23%</b>	<b>62,224</b>	<b>0.17%</b>	<b>-</b>	<b>0.00%</b>
<b>Total DA funding provided to AAAs</b>	<b>34,036,078</b>	<b>100.00%</b>	<b>36,342,042</b>	<b>100.00%</b>	<b>37,761,382</b>	<b>100.00%</b>





## **APPENDIX II**



BOB HOLDEN  
GOVERNOR



CAROL RUSSELL FISCHER  
ACTING DIRECTOR OF REVENUE

MISSOURI DEPARTMENT OF REVENUE  
POST OFFICE BOX 311  
JEFFERSON CITY, MISSOURI 65105-0311  
PHONE: (573) 751-4450  
FAX: (573) 751-7150  
WEBSITE: [www.dor.state.mo.us](http://www.dor.state.mo.us)

RECEIVED  
JAN 23 2001  
TREASURY DIVISION

January 22, 2001

Ms Jeanne Jarrett, CPA  
Director  
Oversight Division  
Room 132, State Capitol  
Jefferson City, MO 65101-6806

Dear Ms. Jarrett

Please find below the Department of Revenue's response to the Division of Oversight's recent evaluation of the Congregate and Home Delivered Meals program

#### OVERSIGHT DIVISION RECOMMENDATION

Oversight recommends the General Assembly encourage the Department of Revenue to comply immediately with Section 660 078 (2), RSMo Supp 1999. In addition, the department should reimburse the Elderly Home Delivered Meals Trust Fund for the expenditures charged in excess of 5 percent of the collections to the fund for fiscal years 1999 and 2000

#### DEPARTMENT OF REVENUE RESPONSE

The Division of Taxation and Collection has reviewed the recommendations from Oversight regarding the Home Delivered Meals Trust Fund. The division feels the Department of Social Services or Office of Administration, Budget and Planning, should monitor the fund and should have responded to the law change by requesting a budget revision. As this was not the case, the division will request the department's appropriation be placed into reserves, to be released quarterly. The 5 percent collection fee will be figured on the collection amount that was processed on individual income tax check offs for the Home Delivered Meals program.

Ms. Jeanne Jarrett, CPA  
January 22, 2001  
Page 2

The department will consider whether it has the authority to reimburse the Home Delivered Meals Trust Fund for any overcharges that may have occurred

Please notify Kim Lauer, Administrator, Internal Audit, of the scheduled date for Committee discussion. If you have any questions or concerns related to the department's response, please direct your inquiries to Kim Lauer or me.

Sincerely,



Carol Russell Fischer

CF.BA:dkn

- c. Stan Farmer
- Kim Lauer
- Linda Bushman
- Brad Adrian



**RECEIVED**

**FEB 26 2001**

**'ERSIGHT DIVISIC**

**BOB HOLDEN**  
GOVERNOR

**MISSOURI**  
**DEPARTMENT OF SOCIAL SERVICES**  
**DIVISION OF AGING**

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JEFFERSON CITY  
65102-1337  
TELEPHONE: 573-751-3082

**RELAY MISSOURI**  
*for hearing and speech impaired*  
TEXT TELEPHONE  
1-800-735-2966  
VOICE  
1-800-735-2466

February 23, 2001

Jeanne Jarrett, CPA, Director  
Oversight Division  
Committee on Legislative Research  
Room 132 State Capitol  
Jefferson City, MO 65101

Dear Ms Jarrett:

Thank you for the opportunity to respond to your evaluation of the Area Agencies on Aging Congregate and Home Delivered Meal Program. I believe your review of this important program strengthens everyone's understanding of how significant our nutrition services are in meeting the needs of Missouri's seniors.

Please feel free to contact Randy Rodgers, Administrator of Older Americans Act programs at (573) 526 - 8601, if you have any questions about our response to your review.

Sincerely,

Richard C. Dunn  
Director

Responses to Legislative Oversight review of Area Agencies on Aging Congregate and Home Delivered Meals Program.

## **Chapter 2 - Allocation of Funds**

*The Division of Aging funding allocation formula does not take into account the actual number of meals served by the AAA.*

The recommendation that the General Assembly consider directing General Revenue appropriations to ensure a more equitable distribution of funds based on the actual number of meals served through the AAA nutrition programs could adversely impact the operation of the home delivered meals program unless measures are taken to ensure current service levels and senior center contracts amounts are not reduced. In order to accomplish a change in how state General Revenue nutrition funds are to be distributed, either a change in Section 660.099 (1) and (3) RSMo would be required, or a specific allocation methodology within the legislation would be needed. A change in how funds are distributed should only be considered when appropriating new general revenue nutrition funding since the existing funds are fully used for current home delivered meal services being provided by the AAAs.

In order to provide some historical information about the costs associated with providing nutrition services, the AAAs and DA have found for the most part that costs for all services have been higher in the metropolitan areas than in our more rural areas. Additionally, voluntary contributions toward the cost of the service within our metropolitan inner city areas have been lower than in other areas of the state which equates to a higher percentage of federal and state funds being required for the program.

## **Chapter 3 - USDA Meal Counts**

*The Area Agencies on Aging internal control policies and procedures do not always detect errors in reporting USDA-eligible meals served, to the Division of Aging.*

The division will emphasize this finding with all AAAs and senior centers to ensure appropriate procedures are in place to achieve accuracy. The division will provide immediate written guidance to AAAs on the significance of ensuring their policies and procedures address this concern. All monitoring of senior centers by DA and AAAs will include a review of current practices to ensure compliance with policies and procedures.

## **Chapter 4 - Home Delivered Meals Trust Fund**

*The Department of Revenue is charging the Elderly Home Delivered Meals Trust Fund for expenses in excess of the 5% ceiling allowed by statute.*

This finding does not directly relate to the operation of the Division of Aging. The division is willing to work closely with Department of Revenue to achieve compliance with 660.078 (2), RSMo Supp.1999.