

DEPARTMENT OF AGING

1300 National Drive, Suite 200
 SACRAMENTO, CA 95834
 Internet Home Page: www.aging.ca.gov
 PHONE (916) 419-7500
 TDD Only 1-800-735-2929
 FAX Only (916) 928-2504

**PROGRAM MEMO**

TO: AREA AGENCIES ON AGING DIRECTORS	NO.: PM 09-19 (P)
SUBJECT: Fiscal Year 2009-10 Area Plan Contract Amendment #1	DATE ISSUED: August 12, 2009
REVISED	EXPIRES: July 1, 2010
REFERENCES: Older Americans Act Amendments of 2006; Older Californians Act, Welfare and Institutions Code 9100, et., seq.	SUPERSEDES:
PROGRAMS AFFECTED: <input type="checkbox"/> All <input type="checkbox"/> Title III-B <input type="checkbox"/> Title III-C1/C2 <input type="checkbox"/> Title III-D <input type="checkbox"/> Title III-E <input type="checkbox"/> Title V <input checked="" type="checkbox"/> CBSP <input type="checkbox"/> MSSP <input type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input checked="" type="checkbox"/> Other: <u>SDE</u>	
REASON FOR PROGRAM MEMO: <input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify: <u>Transmit Amended AP Contract</u>	
INQUIRIES SHOULD BE DIRECTED TO: Your Assigned AAA-Based Team Fiscal Specialist	

Attached is important budgetary information. This first Amendment to the 2009-10 Area Plan contract is being issued early in order to implement major budget changes as quickly as possible as the new Fiscal Year (FY) begins.

The attached amended contract incorporates the following adjustments:

- The elimination of the funding for the State's Community Based Service Programs (CBSP), effective September 30, 2009. Funding for 2009-10 for these programs has been reduced to the equivalent of 90 days of operations.
- An additional \$1.6 million in Special Deposit Fund (Federal Citations Penalty Account) to restore some of the funding cut from the Ombudsman program during the 2008-09 FY. At present this funding is only for the 2009-10 Fiscal Year.

Elimination of the Funding to Support Community Based Service Programs

The Amended 2009-10 State Budget Act signed by the Governor on July 28, 2009, calls for the elimination of the funding for the State's CBSP effective September 30, 2009. Funding for these programs for the current FY has been reduced by approximately 75 percent. All funding for FY 2010-11 has been eliminated. All Area Agencies on Aging (AAA) are advised to carefully monitor their activities and commitments for these programs in order to not exceed these reduced appropriations.

Budget Revision

The revised budget display is attached. Please submit a revised Area Plan Budget. Transfers within CBSP are allowed in the Amendment 1 Budget Revision. However, you may not move Federal Funds or other General Funds into the CBSP budget.

Expenditures and Request for Funds

The CDA fiscal team will email each AAA to identify when you intend to stop providing CBSP services. If you are ceasing CBSP services on or before September 30, 2009, you may request advances up to the total revised 2009-10 CBSP allocations. If you are extending CBSP services past September 30, 2009, advances can be requested over the fiscal year. AAAs must expend all CBSP funds by the end of FY 2009-10 (June 30, 2010).

Increased Funding For the Ombudsman Program

As a result of the enactment of Assembly Bill (AB) 392 (Feuer, Chapter 102, Statutes of 2009), \$1.6 million from the Federal Citations Penalty Account will be allocated for this year only (FY 2009-10) to local Ombudsman Programs utilizing the formula established in Welfare and Institutions Code, Section 9719.5. AB 392 directs that this funding will be allocated per the standard Ombudsman Funding Formula.

AAAs must take the following actions to obtain the additional FY 2009-10 program allocation:

- 1) Within 15 calendar days of the date of this PM, AAAs must submit a budget revision including their newly allocated amount for the Federal Citations Penalty Account funding amount using OMB-CDA 300 form, Ombudsman Volunteer Recruitment Initiative Monthly Expenditures Report and Request for Funds.
- 2) On the same OMB-CDA 300 form, AAAs must include a revised "Part II. Request for Federal Citations Penalty Account Funds" for the first quarter of FY 2009-10. The requested total will be the former allocation amount plus the additional funds allocated through AB 392. Funds should be requested in this manner for each quarter of FY 2009-10. Payment will be contingent upon execution of Amendment 1 to Area Plan contracts.

Other guidance and directions for utilizing funds allocated under AB 392:

- 1) Funds received under this allocation must be used for the support of the Ombudsman Program and to benefit residents of long-term health care facilities. Funds will be available upon enactment of AB 392 and must be expended no later than June 30, 2010.
- 2) Unspent funds will not roll over to the next fiscal year, but will revert back to the Federal Citations Penalty Account.
- 3) AAAs will continue to use the process established in PM 04-01 to request advances and report expenditures of Federal Citations Penalty Account funds.
- 4) CDA will use the existing process for closeout reports after the end of the FY through the submission by AAAs of the OMB-CDA 002 form, Ombudsman Volunteer Recruitment Initiative Financial Closeout.

Additional Budget Adjustments To Follow

The budget adjustments traditionally found in an Amendment 1 will be made in a subsequent amendment in the fall. The adjustments in the subsequent amendment will include:

- Approved transfers of General and Federal Funds
- Allocation of One-Time-Only (OTO)
 - 2007-08 Unexpended Funds
 - Unallocated Federal funds
 - Supplemental Federal Grant
 - Recovered funds from Audit Determinations



Lynn Daucher
Director

Attachment