

CALIFORNIA DEPARTMENT OF AGING

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PROGRAM MEMO

To: Area Agencies on Aging
No: 20-18
DATE RE-ISSUED: July 31, 2020
SUBJECT: The Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Distribution
EXPIRES: September 30, 2021
PROGRAMS AFFECTED: Older Americans Act Title IIIB, Title III-C1, Title III-C2, Title III-E, Title VII
SUPERSEDES: N/A

PURPOSE

This Program Memo (PM) outlines the process, methodology, and timing for distributing the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

CARES ACT FUNDING DISTRIBUTION

Based on the completed questionnaires received from the Area Agencies on Aging (AAAs) on July 17, 2020, the California Department of Aging (CDA) is updating the allocation plan for the CARES Act funding. The purpose is three-fold: to deliver rapid disbursement of funds to meet the needs of older adults during the pandemic, to provide appropriate fiscal oversight of this significant new funding for the AAA network, and to allow for efficient re-allocation between any AAAs who may not utilize all of the available funding and those AAAs with additional needs.

Overall, the questionnaires show a low percentage of expenditure (33%) of the already allocated Families First Coronavirus Response Act (FFCRA) funds, as well as a wide range between 100% and 0% of expenditures to date. Therefore, CDA proposes to allocate out the non-Ombudsman portion of the funding in the following manner. The Ombudsman portion of the funding will be fully allocated to all AAAs on 7/31/2020.

- For those AAAs spending at least 25% of FFCRA, CDA will disburse 75% of CARES Act allocations on 7/31/20.
- For those AAAs spending less than 25% of FFCRA or not reporting at all, CDA will survey again by August 30th; if 25% of FFCRA spent by then, then 75% of the CARES Act allocation will be disbursed on September 30th, (or if not, at the next quarter when 25% of the FFCRA allocation is expended, i.e. 12/30/20 or 3/30/21).
- All AAAs will be eligible for their final 25% distribution of CARES Act funds upon reporting expenditure of the initial 75% of CARES Act allocations. New disbursements will be made on 9/30/20, 12/30/20, and 3/30/21.
- After 3/30/21, any funds that have not been encumbered by the AAAs will be re-allocated to other local AAAs for expenditure by 9/30/21. Therefore, all AAAs who intend to spend all their FFCRA and CARES funds should plan to encumber their funds by 3/30/21.

CDA staff will be reaching out to those AAAs who have reported expenditures and encumbrances of less than 25% of their FFCRA funds to determine if they reported correctly or if there are other factors limiting their ability to expend or encumber the dollars they received from the FFCRA distributions.

As the department receives additional information and clarity from AAAs who initially reported less than 25% of FFCRA funds being expended or encumbered, those AAAs who meet that benchmark, will have a first-round distribution (75%) of CARES Act funds processed in the coming weeks, and then on quarterly cycles of 9/30/20, 12/30/20, 3/30/21.

SUMMARY OF FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA) FUND EXPENDITURE REPORTING

CDA allocated \$23.8 million in FFCRA funding to the local Area Agencies on Aging (AAAs). As of July 17, 2020, the AAAs have expended \$7.8 million or 33% of the FFCRA funds.

Of the 33 AAAs:

- 8 AAAs have fully spent their FFCRA allocations
- 9 have spent 25% or more of their allocations
- 15 have spent less than 25% of their funding
- CDA has not yet received responses from 1 AAA

CDA recognizes the challenges that some AAAs may have had in expending the new federal funds, such as having existing providers quickly scale up their services and/or finding new service providers, identifying and contacting populations in need of services, and time needed to enter into new contracts. To the extent that CDA can assist AAAs to help identify solutions to any barriers that may exist, we are happy to do so.

INQUIRIES

For questions regarding this PM, please email: Thomas.Cameron@aging.ca.gov and Irene.Walela@aging.ca.gov.

/s/

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/s/

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cc: Kim McCoy Wade, Director, California Department of Aging
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Joseph Rodrigues, State Long-Term Care Ombudsman, California Department of Aging
California Association of Area Agencies on Aging (C4A)