

CALIFORNIA DEPARTMENT OF AGING**Division of Administrative Services**

2880 Gateway Oaks Drive, Suite 200

Sacramento, CA 95833

www.aging.ca.gov

TEL 916-419-7517

FAX 916-928-2267

TTY1-800-735-2929



PROGRAM MEMO

To: Area Agencies on Aging**No:** 22-01**DATE ISSUED:** February 7, 2022**SUBJECT:**

- Federal American Rescue Plan Act (ARPA) [Older Americans Act], P.L. 117-2
- One-Time-Only (OTO) Unspent Federal Fiscal Year (FFY) 2021 Area Plan Funding

EXPIRES: September 30, 2024**PROGRAMS AFFECTED:** Older Americans Act Title III-B, III-C-1, III-C-2, III-D, III-E, and Title VII.**SUPERSEDES:** N/A**PURPOSE**

This Program Memo (PM) outlines the process, methodology, and timing for distribution of ARPA federal funds and unspent OTO via Fiscal Year (FY) 2021-22 Area Plan Amendment #3:

- The ARPA provides additional funding for existing Older Americans Act (OAA) programs.
- The OTO funding is unspent FFY 2021 funding, reallocated to AAAs via the Intrastate Funding Formula.

Lastly, this PM also provides updates on new state funding and other federal distributions.

FUNDING DISTRIBUTION

CDA intends to disburse the federal ARPA and OTO funding to the AAAs within the 2021-22 Area Plan Amendment #3. This amendment is scheduled for release in January 2022. The amendment is a package of COVID-19 ARPA funds that have been released from the Administration for Community Living (ACL) for COVID-19 response and unspent OTO from FFY 2021.

The ARPA funds are being placed into the 2021-22 Area Plan Amendment #3 contract to fulfill the California State Controller's Office (SCO) auditing and oversight requirements. The ARPA funds are distinct and separate from regular Older Americans Act Area Plan funds. Please see below for more detail on budget displays and reporting.

The ARPA funds must be spent by September 30, 2024. Funds must be expended on allowable

OAA activities as defined by the OAA and California Code of Regulations. Please keep in mind that ACL guidance states that the AAAs should utilize FFCRA, CARES, CAA, Title XX Elder Justice, ARPA and then OAA funds, in that order. Following this order will allow for full expenditure of the five emergency COVID-19 funds, which are not available for carryover. Follow-up guidance with the CDA process for review of current spending, spending plans, and any needed reallocation process for all COVID-19 funds will be issued soon.

FLEXIBILITIES

The ARPA funds, which have been allocated in Title III-B, III-C-1, III-C-2, III-D, III-E, and Title VII are available for full flexibility under California's Major Disaster Declaration (#DR-4482) of the Stafford Act (the Act). As such, the CAA Section 732 permits states to use any portion of the funds for disaster relief for older individuals. **AAAs have discretion to spend any ARPA funding on disaster relief and will not be required to submit waivers or transfers to do so.**

OTO funding is not open to any flexibilities and must be expended in the category in which it is provided.

Noncompetitive Award

Based on the language in the State and Local Fiscal Recovery Funds - Compliance and Reporting Guidance that includes FAQs from the US Treasury Dept, CDA's interpretation is that ARP spending should be done consistently with any other federal funds, such as Older Americans Act (OAA) dollars.

Such that, the availability of a noncompetitive award option allows the AAA to award or enter into contract (of up to one year) on a noncompetitive basis. The AAA would have to conduct its own analysis of the appropriate time period, and whether the public exigency/emergency exception exists for their agency. The continuing COVID pandemic and the fact that we are currently operating under the major disaster declaration are among the many factors that should be considered, but CDA cannot affirmatively or conclusively opine whether that exception will apply to each ARP-related procurement. Also, CDA cannot make any representation that it or the State will indemnify or otherwise cover the AAA if the AAA were to erroneously award a noncompetitive contract.

BUDGET DISPLAYS

Separate and distinct Budget Displays will be released for the ARPA funding within the 2021-22 Area Plan Amendment #3 contract. The OTO funding will be included on the original FY 2021-22 Area Plan Budget Display.

The Budget Displays for the ARPA allocations reflect funding available between April 1, 2021 through September 30, 2024. AAAs can utilize up to 10% (maximum) of the funding for Administration, except from part III-D. "Administration" expenditures have a 25% match requirement.

ARPA program service expenditures have the following match requirements:

- Title III-B Supportive Services, III-C-1 Congregate Meals, and III-C-2 Home-Delivered Meals

- 15% for Services
 - 1/3 of 15% match for services must come from State sources
 - No match required for the portion of funds used to support the LTCO program
 - Match may be pooled between III-B, III-C-1, and III-C-2
- Title III-D Disease Prevention and Health Promotion
 - No match required
- Title III-E
 - 25% for Services
- Area Plan Administration
 - 25% for Administration
- Title VII Ombudsman and Elder Abuse
 - No match required

Please note, match requirements must be reported based upon the allocated funding levels. Match should not be reported based upon MDD flexibility and how the funding is actually expended.

ALLOCATION METHODOLOGY

ARPA funding has been allocated based on the FFY 2020 Interstate Funding Formula factors. ARPA funding is separate from the Area Plan funding and has no impact on previous Area Plan allocations. **An ARPA budget will not be required from the AAAs in order to expend funding.**

ARPA disbursements will be based upon reported expenditures as follows:

- **AAAs will receive 25% of their ARPA allocations as soon as Area Plan Amendment #3 is signed, returned to CDA, and executed.**
- **AAAs will receive 50% of their ARPA allocations when the initial 25% of the ARPA allocation is reported as expended.**
- **AAAs will receive the final 25% of their ARPA allocations when 75% of the ARPA allocation is reported as expended.**

EXPENDITURE REPORTS AND CLOSEOUT

This funding is separate from all other Title III and Title VII Area Plan funding and must be tracked separately. Data and expenses for ARPA funding should not be tracked in the NAPIS/SPR systems. ACL requires AAAs and providers to track these expenditures separately (e.g., per ACL Guidance, issued on [April 8, 2020](#), “At a minimum and where possible, States should be recording the number of clients to whom service is provided, the name or category of services provided, the number of units of service provided, and the expenditures related to providing such services.”).

AAAs are required to report expenditures monthly. To report expenditures, AAAs must use the “ARPA Expenditure Report Form” ([CDA 9052](#)). These documents are located under the [Fiscal Forms and Documents](#) page on CDA’s website.

The ARPA funds will end September 30, 2024 and the closeout must be completed by October 31, 2024. Closeout information will be forthcoming.

UPDATES ON ADDITIONAL FUNDING DISTRIBUTIONS: STATE AND FEDERAL

As a result of the new state budget for SFY 21-22, funding has been issued on Senior Nutrition (General Fund) and AAA Baseline Adjustment (General Fund). Additional guidance and information will be provided specific to the Older Adults Recovery and Resilience (OARR) and other Home and Community-Based Settings (HCBS) Spending Plan investments, pending CMS approval, on an ongoing basis.

A new calendar of all current and upcoming funding has been shared with the network and is now posted on the [AAA - Contract Information](#) page of CDA's website. More tools will be posted on an ongoing basis and can be proposed to CDA's Division of Administrative Services.

INQUIRIES

For questions regarding this PM, please email: Nicole.Shimosaka@aging.ca.gov and/or Sutep.Laohavanich@aging.ca.gov.

/S/

Sutep Laohavanich, Deputy Director
Division of Home and Community Living
California Department of Aging

cc:

Susan DeMarois, Director, California Department of Aging
Thomas Cameron, Deputy Director, Division of Administrative Services, Department of Aging
Blanca Castro, State Long-Term Care Ombudsman, Department of Aging
California Association of Area Agencies on Aging (C4A)