



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

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Director, Division of Aging and Adult Services

**DAAS ADMINISTRATIVE LETTER NO. 21-05**

**TO:** Area Agencies on Aging, County Finance Officers, and Community Service Providers

**FROM:** Joyce Massey-Smith, Director

**DATE:** May 19, 2021

**SUBJECT:** Funding Utilization Management:  
— **FY 21 Older Americans Act**  
— **Families First Coronavirus Relief Act (FFCRA)**  
— **Coronavirus Aid, Relief, and Economic Security (CARES) Act**

The purpose of this letter is to provide guidance to the aging network during the COVID-19 public health emergency about use of the unprecedented levels of funding received by NC for the provision of Older American Act services and supports. The guidance applies to the Families First Coronavirus Relief Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, as well as annual Older Americans Act funding for FY 2021. In North Carolina, the annual Older Americans Act funds are combined with state support to form the Home and Community Care Block Grant (HCCBG).

The Older Americans Act funds congregate and home-delivered nutrition programs, supportive services, the Family Caregiver Support Program, the Long-Term Care Ombudsman Program, legal services, and evidence-based health promotion/disease prevention programs. With multiple grants available to pay for current services, AAAs and service providers should use the following funding utilization guidance from DAAS when planning for service delivery and reporting grant expenses for reimbursement.

1. Use FFCRA/CARES Act funding before HCCBG/FCSP funding whenever possible.
  - The FFCRA/CARES Act grants do not require local match, allowing counties to reserve those local matching funds for support of regular HCCBG/FCSP funding.
  - Current HCCBG/FCSP funding allocated to counties under the Intrastate Funding Formula must be spent by June 30, 2021, per normal operating procedures, but DAAS asks for the cooperation of the aging network in using FFCRA/CARES Act funding before HCCBG/FCSP funding. Regular HCCBG/FCSP funding is available to the state unit on aging for more than one federal fiscal year.

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Therefore, unspent funds from regular HCCBG/FCSP grants will not revert but will be reallocated to the North Carolina aging network in the next funding cycle.

2. Use FFCRA/CARES Act funding to the greatest extent possible prior to September 30, 2021.

- For nutrition services, use 100% FFCRA/CARES funding for reporting meals and 0% HCCBG/FCSP until the FFCRA/CARES funding is fully expended or September 30, 2021, whichever comes first.
- For all other services, use CARES funding, not HCCBG/FCSP funding, between now and September 30, 2021, unless your CARES allocation is 100% expended.
- The FFCRA/CARES Act grants were awarded to NC AAAs per the Intrastate Funding Formula and must be spent by September 30, 2021, and reported in ARMS. Any unspent funds at the project period's end on September 30, 2021, will return to the state for reallocation to AAAs utilizing the Intrastate Funding Formula. The community service providers who received allocations of FFCRA/CARES Act funding for FY2021 should spend as much of their allocations as possible prior to September 30, 2021.
- With reallocation of any remaining funding, AAAs may issue new FFCRA/CARES Act funding agreements effective October 1, 2021. AAAs will have the flexibility to fund new or additional services/providers as warranted to assure expanded service delivery. There is no requirement for AAAs to go through the county planning process to reallocate unspent funds, but DAAS encourages open communication with counties. AAAs are free to direct reallocated funds to those areas with high needs and best able to effectively use the funding.

3. Extend services to address unmet needs in your communities.

- Accept the challenge of using the historic levels of funding being made available to help seniors and their family caregivers during this public health emergency. Use existing planning processes and stakeholder committees to identify unmet needs locally and to reach consensus on funding utilization action plans across all grants.
- Discuss unmet needs and options for meeting them that include services not currently funded if appropriate. **Extend services to new areas and new people.** There are sufficient additional funds pending allocation to support expanded services. Extend more services to existing clients if appropriate to their care plans and wishes.
- Partner with new or additional agencies, organizations, faith-based groups, and interested stakeholders to make the local referral network as robust as possible. We have adequate funding to assure that new clients will be served now and well into future fiscal years without fear of termination or return to a waiting list.
- Present justification to governing boards to support the expansion of staff and other infrastructure as needed, in order to assure that expanded service delivery is possible with these grants. The historic levels of funding that are currently available and that will be made available over the next 24 months will require additional response capacity at all levels of our network. We must plan and organize a response bigger than has been possible with past levels of funding. It may not be possible for current service providers to grow service delivery without additional infrastructure being authorized by their governing boards. DAAS urges AAAs, counties, and service providers to assess their response capabilities and develop appropriate action plans within existing service networks. AAAs may have to expand the provider network for FY 2022 FFCRA/CARES Act funding agreements effective

October 1, 2021, if the existing network cannot mobilize adequate additional infrastructure to expand service delivery.

In addition to the current funding outlined in the chart below, additional federal funding for home-delivered nutrition services has just been awarded to NC Area Agencies on Aging and will soon be allocated to community service providers. New funding from the American Rescue Plan to help NC seniors recover from the COVID-19 pandemic is scheduled for release in FY 2022.

Those funds will support nutrition services, caregiver support services, programs to reduce social isolation and promote health, expansion of care coordination services, and other services that are part of the existing long-term services and support system in North Carolina. It is reasonable to plan for bold growth of our capacity to serve as we plan ahead for the new state fiscal year beginning July 1, 2021, and beyond.

### Timelines for Grant Spending

As noted above, regular HCCBG/FCSP funding is allocated through June 30, 2021, but Older Americans Act funds are available to DAAS for more than one federal fiscal year and will be reallocated to the aging network.

The FFCRA/CARES Act funding must be spent by September 30, 2021. Unspent funds will return to DAAS for reallocation to AAAs using the Intrastate Funding Formula. Community service providers who received allocations of FY2021 FFCRA/CARES Act funding should spend as much of their allocations as possible prior to September 30.

GRANT SUMMARY CHART	Award	State FY/ Project Period	Federal Project Period	Local Match Required?
Congregate-FFCRA (COVID)	\$ 2,463,141		3/20/20 - 9/30/21	NO
Congregate Nutrition (OAA 2021)	\$ 15,426,435	7/1/20-6/30/21	10/1/20 - 9/30/22	YES
Home Delivered-FFCRA (COVID)	\$ 4,926,281		3/20/20 - 9/30/21	NO
Home Delivered Meals (OAA 2021)	\$ 8,375,820	7/1/20-6/30/21	10/1/20 - 9/30/22	YES
Nutrition (Cong & Home Del) (CARES)	\$ 14,778,843		4/1/20 - 9/30/21	NO
<b>TOTAL NUTRITION</b>	<b>\$ 45,970,520</b>			
Supportive Services (CARES)	\$ 6,157,851		4/1/20 - 9/30/21	NO
Supportive Services (OAA 2021)	\$ 11,814,518	7/1/20-6/30/21	10/1/20 - 9/30/22	YES
<b>TOTAL SUPPORTIVE SERVICES</b>	<b>\$ 17,972,369</b>			
Family Caregiver (CARES)	\$ 3,057,306		4/1/20 - 9/30/21	NO
Family Caregiver (OAA 2021)	\$ 5,735,711	7/1/20-6/30/21	10/1/20 - 9/30/22	YES
<b>TOTAL FAMILY CAREGIVER SUPPORT</b>	<b>\$ 8,793,017</b>			
Ombudsman VII (CARES)	\$ 615,785		4/1/20 - 9/30/21	NO
Ombudsman VII (OAA 2021)	\$ 578,972		10/1/20 - 9/30/22	NO
<b>TOTAL OMBUDSMAN</b>	<b>\$ 1,194,757</b>			
Elder Abuse (OAA 2021)	\$ 126,782		10/1/20 - 9/30/22	YES
<b>TOTAL ELDER ABUSE</b>	<b>\$ 126,782</b>			
Preventive Health (OAA 2021)	\$ 761,785	7/1/20-6/30/21	10/1/20 - 9/30/22	YES
<b>TOTAL PREVENTIVE HEALTH</b>	<b>\$ 761,785</b>			

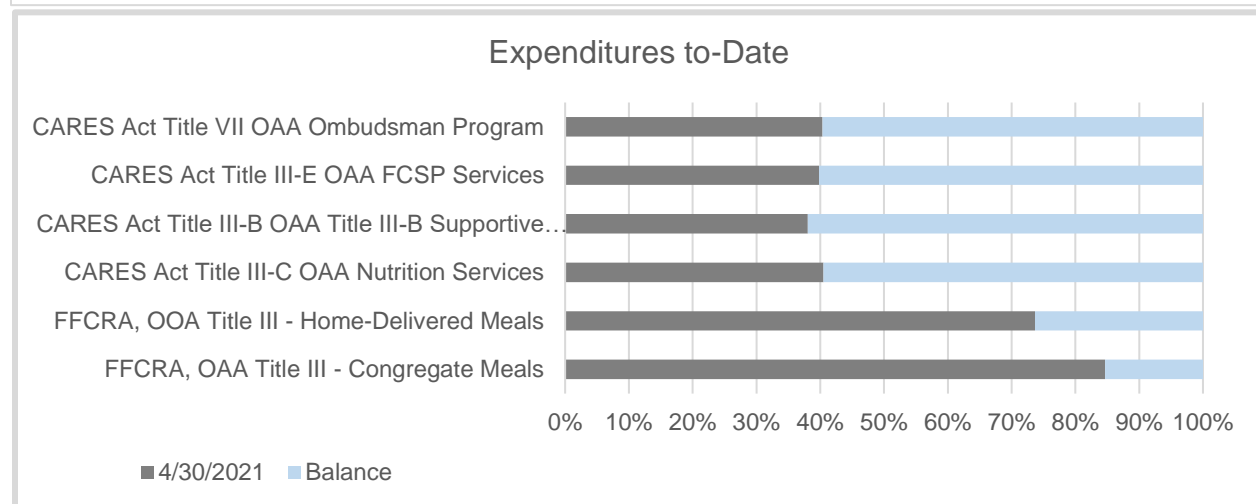
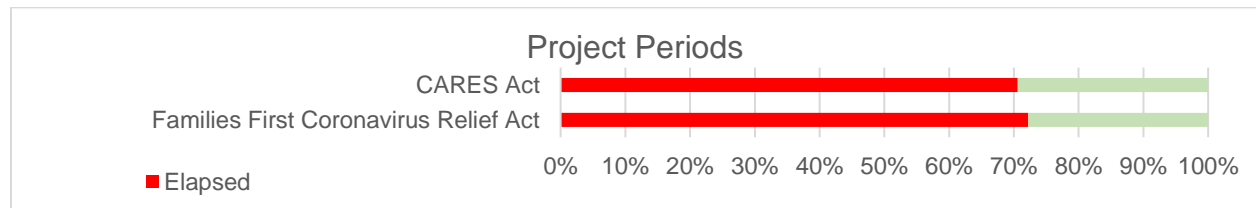
## Year-to-Date Expenditures

The following chart of expenditures provides an overview of current grant utilization patterns and shows the impact of trying to provide services during the pandemic. Resourceful AAAs, service providers, and advocates have maintained levels of effort comparable to prior years for all but congregate meals and access services (e.g., transportation). Since “home-delivered” meals were provided to congregate clients, many of those clients were nevertheless served. In fact, much service delivery happened in the context of a pandemic response that required alternate programming and/or the closure of senior centers, congregate nutrition sites, adult day services programs, and office buildings. With gratitude, the Division of Aging and Adult Services (DAAS) recognizes the effort, determination, strength, and skill it took to support this level of effort.

Comparisons of Expenditures for Major Service Categories, YTD through March Services Paid in April, SFY 2019, 2020, 2021*				
Service	2019 (Regular funding)	2020 (Regular funding)	2021 All funding (Regular, FFCRA & CARES)	% Change 2021 compared to 2020
Congregate & NSIP	8,293,840	8,298,074	4,218,777	-49.2%
Home Delivered & NSIP	13,251,073	14,060,199	27,388,383	94.8%
In Home Support	26,857,230	27,857,949	27,782,714	-0.3%
Access	7,393,752	7,842,630	5,053,160	-35.6%
Family Caregiver	3,632,504	3,882,728	5,040,443	29.8%
LTC Ombudsman	3,032,135	3,120,775	3,266,475	4.7%
Sum	62,460,534	65,062,355	72,749,952	11.8%

\*Includes June services paid in July.

Although services this fiscal year have been delivered at or slightly above the level of recent years, the chart below illustrates the challenge ahead for DAAS and the aging network. Except for FFCRA nutrition funding, our grant expenditures are less than should be expected at this point in the grant Project Periods to the point that we may not be able to conduct the work needed before project end dates.



AAAs, counties, and community service providers are urged to use the guidance at the beginning of this administrative letter to evaluate infrastructure needs and other strategies for expanding services before the funding deadlines.

### Reallocation of Funds

AAAs typically track grant utilization rates in their counties and have a regular process for discussing utilization benchmarks with service providers. Normal procedures have been more difficult to implement during the pandemic because of closed offices statewide. Tracking and analysis also have been more difficult because of problems with the ARMS reimbursement and client/service tracking system.

To assure that our statewide network is doing all we can at every level of the funding and service delivery process, DAAS has determined that a two-pronged plan is necessary as we approach the project end dates for both regular HCCBG/FCSP funding and FFCRA/CARES Act funding:

1. AAAs, counties, and service providers should use the reporting guidance at the beginning of this letter for utilization of FFCRA/CARES Act funding first.
2. Funding not spent prior to the project end dates will be reallocated based on the Intrastate Funding Formula with new project timeframes.

As described above, reallocation can occur within normal AAA oversight procedures when underutilized funding is moved between services, providers, and counties, or reallocation can occur when unspent funding is returned to DAAS to be reallocated to AAAs for distribution in new contracts. DAAS asks for cooperation with voluntary reallocation of HCCBG/FCSP allocations to help our state spend available funding in support of eligible seniors and their families. AAA funding agreements already allow for the voluntary transfer of funds between services, providers, and counties if it is determined that funding will not be expended by June 30, 2021.

DAAS also requests cooperation with voluntary reallocation of FFCRA/CARES Act funding if it is determined that a service provider funded by the AAA will not be able to expend funds by September 30, 2021.

DAAS encourages open communication about funding utilization and movement of funds within the AAA's planning and service area. Counties should be informed about funding transfers, even though there is no requirement for a formal approval process.

### CONCLUSION

The aging network successfully navigated a year of service delivery during a global pandemic and should be proud of our COVID-19 response. Now our attention turns to next steps, especially how we can prepare to accomplish even more if infrastructure needs and other strategies are addressed.

As a network, we will mobilize to tackle unmet service needs utilizing the significant funding that has been made available to us. We will combine our experience serving seniors and their caregivers with awareness of the impacts of social determinants of health on their well-being so we can affect positive outcomes for the people in our communities. We will expand care coordination services for frail older adults and their families who need assistance with navigating the system. We will offer services and activities that promote health and prevent or delay decline in the aging population that we serve. We will identify ways to help connect older adults to each other as well as to services, because we know that social isolation is a barrier to successful aging. We will continue to support COVID-19 vaccinations not only for community-dwelling older adults, but also for homebound seniors.

DAAS is proud to partner with a statewide network of creative and committed stakeholders who will work together to reimagine services during the most difficult of circumstances, including pandemics and natural disasters. We embrace and encourage our partners to view these challenges as an opportunity to strengthen our network and improve the lives of those we serve.

For additional guidance related to this administrative letter, please contact Hank Bowers, Assistance Director at [hank.n.bowers@dhhs.nc.gov](mailto:hank.n.bowers@dhhs.nc.gov).

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