MEMORANDUM

October 4, 2013

To: Area Agencies on Aging Directors
   LRO Finance Officers

From: Dennis W. Streets

Re: Shutdown of Federal Government

As you know, the U.S. Congress did not enact a federal appropriations act for federal fiscal year (FFY) 2014 and has not adopted a continuing resolution to allow for ongoing operation of many federal programs. The so-called shutdown of the federal government, and corresponding lapse of funding for certain federal grants, which commenced on Tuesday, October 1, is already affecting program operations and the people of North Carolina in significant ways. At this time, funding to administer even mandated and essential services is limited.

Beginning Monday, we started assessing the implications for the Division of Aging and Adult Services (DAAS), the Area Agencies on Aging and the broader aging and adult services network. We have tried to assure the accuracy of information and consider all potential options. As you can imagine, this has not been an easy task. There is still more information to gather and more conversations to have; still, we want to share with you what we can to assist in your own planning and management within these circumstances.

Aging Services Funding that Is Affected by Shutdown

- **Older Americans Act Titles III-B and C**—Even though Congress has not appropriated funds for FFY 2014, we are still allowed to use FFY 2013 funds (subject to usual requirements) that we have appropriately obligated by not yet spent. We believe that we have sufficient funds available for the continuation of services under Titles III-B (Support Services), C1 (Congregate Meals) and C2 (Home-delivered) under the Home and Community Care Block Grant through October (October paid in November).

- **Older Americans Act Titles III-D and E**—Again, even though Congress has not appropriated funds for FFY 2014, we are still allowed to use FFY 2013 funds (subject to usual requirements) that we have appropriately obligated by not yet spent. We believe that we have sufficient funds available for the continuation of the Health Promotion Program (Title D) and the Family Caregiver Support Program (Title E) through October (October paid in November).

- **Older Americans Act Titles VII**—Because we can still use FFY 2013 funds (subject to usual requirements) that we have appropriately obligated but not yet spent, we believe that we have sufficient funds...
available for the continuation of the Ombudsman Program and Elder Abuse Prevention activities through October (October paid in November).

- **Nutritional Supplement Incentive Program (NSIP)**—We believe that we have sufficient funds available for the continuation of NSIP through October (October paid in November).

**Older Americans Act Funding that Is Not Affected by Shutdown**

**Older Americans Act Title V**—According to the U.S. Department of Labor, the Senior Community Service Employment Program (Title V) can continue to operate as it is funded with previously appropriated money. The SCSEP information system (SPARQ) will be disabled during the shutdown so it is vital that administrators of this program keep all data for entry when SPARQ reopens. If a SCSEP participant has a federal agency as the host agency, another host agency may need to be assigned.

**Effect of Shutdown on Other Funding**

- Attached is a letter to County DSS Directors informing them of funding that is affected by the shutdown. Of special relevance to our adult services is the Social Services Block Grant (SSBG). This reduction, which could well lead to staff furloughs and reduced services, will place additional stresses on County social services agencies. We are asking you to take this into account in working with these agencies, including your scheduling of any monitoring. [You will also note in this letter that Medicaid and the Supplemental Nutrition Assistance Program (SNAP) are not affected by the shutdown. This includes Medicaid At-Risk Case Management, the Adult Homes Specialist Fund, and County Administration of State-County Special Assistance].
- Other services administered by DAAS that are funded through SSBG include the State In-Home Fund, the State Adult Care Fund, Adult Protective Services, and Guardianship. Continued support for Guardianship (including our contracts with Guardianship corporations) has been identified for October services (paid in November).

**Effect of Shutdown on the Division**

The shutdown is having a serious and immediate impact on many of our staff members at the Division of Aging and Adult Services because of our dependency on affected federal funding (e.g., Older Americans Act, Social Services Block Grant). This means that many of our staff members will be on limited work status based on the federal support for their individual positions. Some persons may experience leave without pay up to 75% of their time/salary. This is an extremely difficult emotional and financial situation for our employees. We will try and manage our schedules as best we can with the time that we have available. We intend for ARMS payments to be processed on time in October.

There will be occasions when we cannot respond promptly to requests for information or technical assistance. Please be patient. To conserve our funds, we will be under very tight operational status for most of our services and programs. As you know, we have already postponed a scheduled Senior Center training and the AAA monitoring training. There are a couple of exceptions—for example, our housing and homelessness staff are primarily either State funded or funded by grants not affected by the shutdown. Their work in support of the Department of Justice Settlement will continue in earnest.

**Effect of Shutdown on Area Agencies on Aging**

The Division has prior year funding available to cover September’s AAA and provider services and activities paid in October; however, as of October 1, we have no FFY 14 Older Americans Act funding to cover AAA Planning & Administration and Ombudsman expenses. Operational funding for area agencies is limited to State AAA support funding, statewide Title III-B prior year and State Ombudsman non-matching funds, Title-III-E,
and Title VII, as discussed above. For October expenses to be paid in November, AAAs can defray federal P&A funding with State AAA Support funds. During October, AAAs should limit State AAA Support expenditures to salary and fringe benefits, and essential travel and purchases only. It is likely that some AAA’s will deplete their State AAA Support funding to meet October P&A expenses. To offset this expenditure of State funds, we are not making Senior Center General Purpose funding available until we receive a portion of our FFY 14 federal Title III funding, probably in November. We feel that this will largely mitigate the impact on AAA operations, provided that the shutdown is resolved in October.

Summary

We should have sufficient federal prior year funds and state funds to maintain AAA and service provider services and activities for the period of October services to be paid in November. As a reminder, we will not have access to federal funds until we receive our FFY 14 Older Americans Act funding from the U.S. Administration for Community Living. It is not unusual to receive this funding into the federal fiscal year, but the receipt of funds may be later than normal this year. We will keep area agencies informed.

There are many questions yet to be answered, and we will provide guidance throughout this situation. If you have specific questions about your funding, please contact either Helen.Tack@dhhs.nc.gov or Gary.Cyrus@dhhs.nc.gov. If they are unavailable, let me know your questions.

Cc: Jim Slate
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