

**2008-09  
Spending  
Plan**

**State Office for the Aging**

**Michael J. Burgess, Director**

**A. Overview of Proposed Plan**

*A.1 Overall Approach*

As Director of the New York State Office for the Aging (NYSOFA), I recognize the fiscal challenges New York's economy is facing and commit my full cooperation to achieving recurring across-the-board cuts to State Operations and Local Assistance programs for the current budget year and the two out years. Specifically, NYSOFA will manage the reduced fiscal targets set for State Operations and Local Assistance, including living within our adjusted cash disbursement ceilings. The details on how we will implement savings are crystallized in planned spending estimates included in our monthly reporting of actual versus planned spending (**Attachment A**). Our planned disbursement estimates for both State Operations and Local Assistance are reflective of the prescribed reduction levels, 3.35 percent and 2 percent respectively.

The methodology adopted by NYSOFA for savings for State Operations and Local Assistance differ. A synopsis of each follows:

**Local Assistance**

NYSOFA champions the flexibility afforded to the Area Agencies on the Aging (AAA's) to plan for and respond to unique community specific funding priorities. Hence, NYSOFA elects to implement allocations to the AAA's at funding levels consistent with the Health and Mental Hygiene Appropriation Budget bill (S.6804-D/A.9804-D).

NYSOFA administers a complex mix of over forty programs funded from both State and Federal sources that are available to the AAA's and not-for-profit (NFP) organizations with the bulk of the funding going to the AAAs. In particular, there are some features of our grant programs that provide the AAA's with some flexibility and options to respond to the current fiscal situation. With all Local Assistance allocations at the reduced appropriation level, Federal grant funds can be channeled toward the most acute local needs for service delivery. The Division of Finance and Administration is preparing a Technical Assistance Memorandum (TAM) that communicates to our local affiliates the range of combinations of State and local funding available to target specific service funding needs. (A copy of that TAM, entitled: "Fiscal Options Available to Area Agencies on Aging," is **Attachment B** to this submission.)

NYSOFA elected to leave the statutory Local Assistance appropriations unchanged and spread the two percent reduction across all local programs. The Agency explored the use of the appropriation interchange authority available under State Finance Law to redistribute the required cuts among the various programs. However, NYSOFA concluded that vesting each of the fifty-nine AAA's with final determination of the funding "mix" seemed the best strategy to pursue. While we opted to leave the Local Assistance appropriations unchanged for 2008-09, in the future this option will be less viable and any further funding reductions will likely result in the elimination or severe curtailment of certain

individual programs. This is especially true for small, albeit important, programs such as the Retired Senior Volunteer or Foster Grandparents Programs.

### **State Operations**

Consistent with Budget Bulletin B-1178, NYSOFA will meet its Personal Service (PS) and Nonpersonal Service (NPS) savings requirements. Neither category is disproportionately impacted. NPS spending will be limited to essential needs with all discretionary NPS spending strictly curtailed. For Personal Service, the Agency will maximize opportunities to fund positions from available Federal Administrative funds although these opportunities are very limited. Federal funds available for Personal Services have been essentially flat funded for several years and we don't expect any significant increases in the future. Therefore, the negotiated salary increases in 2007-08 through 2010-11 will likely result in the loss of ability to fund approximately three positions per year. NYSOFA has experienced significant reductions in staff over the last several years, particularly from state general funded positions to the point where there are no non-essential positions on our payroll. NYSOFA will continue to look for ways to be more efficient by reorganizing tasks and responsibilities as positions are lost through attrition. In addition, the Agency will not pursue the filling of any position that is not absolutely essential to NYSOFA's mandate. Accordingly, NYSOFA believes that its PS reduction target will be met through attrition.

### **Process for Reviewing /Approving NPS Spending**

NYSOFA written policy requires that any intent to purchase goods or services must receive prior approval. Each Purchase Requisition must be authorized in writing by the Deputy Director for the program as necessary and desirable. Each Purchase Requisition must also be authorized, in writing, by the Assistant Director for Finance and Administration as appropriate within existing spending limits. In addition to this two-tier authorization process for all purchases, special additional information and approval by the Information Technology Bureau Director are also required for any purchases of computer software, hardware, or services. Finally, in addition to chain of command approval, any request for travel is ultimately approved by the Executive Deputy Director. Further, budgeting restrictions will be implemented at the unit level to ensure that NPS spending is effectively contained from the bottom up.

Taken together, these review and approval processes will be continuously reevaluated and heightened to filter out any non-essential spending and achieve further savings.

### *A.2 Achievement of Savings on a Recurring Basis*

### **State Operations**

The Full Time Equivalent (FTE) Staffing Plan included elsewhere in this narrative (Part F) demonstrates NYSOFA's commitment to hiring constraints. Vigilance in staffing decisions will generate the continued attrition necessary to meet the agency's PS reduction target. The process for approving NPS spending in general, and for travel requests, in particular, will ensure that the NPS targeted reductions are available in the out years.

## Local Assistance

NYSOFA intends to continue the present policy of implementing across-the-board allocation reductions to the area agencies to meet spending restrictions. Thus, the spending will remain within overall prescribed limits; however, the exact mix of funding reductions will differ by AAA.

### *A.3 Protecting Key Priorities*

## State Operations

Core functionality at NYSOFA is the ability to supply the services and support to enable elderly State residents to remain in their homes rather than be placed in institutionalized care and supporting the valuable role of the informal caregiver. In order to meet federal and state requirements to evaluate the fifty nine Area Agencies on Aging on an annual basis, resources need to be continued for staff travel. Further, the core mission of NYSOFA transcends beyond development and operation of specific programs and services to advocacy and policy development to help keep older adults as independent as possible for as long as possible as well as keep their informal caregivers in place. In order to effectively perform this advocacy function and have it translate to tangible outcomes, it is important for the Executive Management Team and staff, as appropriate, to travel within the state to achieve cross-collaborations among various entities and stakeholders at the state and local levels to achieve efficient use of limited resources to implement the mission of the agency.

NYSOFA also views publicizing available services and supports to keep older adults independent and informal caregivers intact as well as the convening of public forums and participation in community based activities to engage in discussions on how to better address emergent needs of older adults and their families in cost-effective ways as mission critical. Thus, it is of paramount importance to channel all remaining State Operations General Funds to support these functions. Nevertheless, the Agency will continue to explore opportunities to “partner” with members of the private sector business community to publicize community-based services, including **NY Connects**, and get the word out about program availability. In particular, NYSOFA will aggressively pursue sharing the costs of disseminating specific program information with public, non-profit, and private partners to offer an alternative to diminished services and support.

## Local Assistance

NYSOFA believes that every local program is, in essence, a Medicaid diversion program. We also believe that our elderly population presents an untapped resource, providing communities with a positive economic benefit if they are kept engaged and involved. Our overarching priority is to enable and empower every older New Yorker to remain in their homes and communities, to offer meaningful opportunities to be contributing members of our society, to delay Medicaid spend down and to avoid institutionalization. With 3.4 million older adult residents and limited funding, this can't be done without creativity and discretion to make decisions at the local level. We believe that our network of AAAs and NFP providers must be supported and granted the flexibility to tailor service delivery to best meet local and individual needs. With this in mind, we are providing additional technical assistance to our network on funding options and have proposed and support new legislation aimed at increasing local flexibility.

*A.4 Treatment of New Initiatives*

NYSOFA is mindful that new initiatives, no matter how beneficial, cannot exceed the prescribed State funds cash targets. Consequently, we will evaluate core functions, existing programs and new initiatives to determine priorities and, as necessary, consider options for elimination, restructuring, downsizing or delaying implementation to meet the prescribed State funds cash targets. Clearly, there are no opportunities for additional spending authority. However, we will undertake internal discussions to develop proposals for consideration that may provide a source of recurring revenue for the Agency which could supplement current spending. In addition, staff will continue to explore new Federal grant opportunities.

**B. Summary of General Fund Financial Impacts (\$ in Thousands)**

<b>GENERAL FUND -- SAVINGS SUMMARY</b>			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	\$2,610	\$2,610	\$2,610
Personal Service	74	74	74
Non-personal Service	19	19	19
Total State Operations	\$93	\$93	\$93
Capital	N/A	N/A	
<b>TOTAL</b>	<b>\$2,703</b>	<b>\$2,703</b>	<b>\$2,703</b>

<b>GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS</b>			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	\$104,042	\$121,400	16.68%
Personal Service	\$2,497	\$2,286	(8.45%)
Non-personal Service	\$1,325	\$549	(58.57%)
Total State Operations	\$3,822	\$2,835	(25.82%)
Capital	N/A		
<b>TOTAL</b>	<b>\$107,864</b>	<b>\$124,235</b>	<b>15.18%</b>

**C. Identification of Proposed General Fund Actions (\$ in Thousands)**

	2008-09 Cash	2009-10 Cash	2010-11 Cash
<b>GENERAL FUND</b>			
<b>Local Assistance</b>			
1. 2% Across the Board Allocation Reductions	\$2,610	\$2,610	\$2,610
<b>State Operations</b>			
1. PS Attrition through Policing Hiring	\$74	\$74	\$74
2. Eliminate NPS Discretionary Spending	\$19	\$19	\$19

**D. Summary of Impact on Other Funds (\$ in Thousands)**

<b>OTHER FUNDS -- SAVINGS SUMMARY</b>			
<b>HCRA SRO's</b>			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance SRO HCRA	\$80	\$80	\$80
Personal Service	N/A		
Non-personal Service	\$2	\$2	\$2
Total State Operations SRO HCRA	\$2	\$2	\$2
Capital	N/A		
<b>TOTAL</b>	<b>\$82</b>	<b>\$82</b>	<b>\$82</b>

<b>OTHER FUNDS -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS</b>			
<b>HCRA SRO's</b>			
	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	\$2,964	\$2,884	(2.69%)
Personal Service	\$29	\$29	0%
Non-personal Service	\$5	\$3	(40%)
Total State Operations	\$34	\$32	(5.88%)
Capital	N/A	N/A	
<b>TOTAL</b>	<b>\$2,998</b>	<b>\$2,916</b>	<b>(2.73%)</b>

**E. Identification of Proposed Other Fund Actions (\$ in Thousands)**

	2008-09 Cash	2009-10 Cash	2010-11 Cash
<b>OTHER FUNDS (Note the fund/s affected by each proposal, in parentheses at the end of each entry)</b>			
<b>Local Assistance</b>			
1. HCRA SRO Eliminate Discretionary NPS	\$80	\$80	\$80
<b>State Operations</b>			
1. HCRA SRO Eliminate Discretionary NPS	\$2	\$2	\$2

**F. Plan to Manage the Workforce**

*F.1 Overall Approach*

Consistent with Governor Paterson’s recent memorandum to Agency Heads, NYSOFA will limit recruitment for additional staff members to mission critical positions and/or positions that directly help ensure the vitality, health and safety of the State’s elderly. NYSOFA will self-police imposition of these standards. Currently, the Director and the Executive Deputy Director personally decide each position that is filled in every division. They weigh competing demands and arrive at the staffing mix that most decidedly meets the goals of the agency and which maximizes available services for the elderly. The Director and the Executive Deputy Director will continue this personal case-by-case review and add to their scrutiny the standards of mission critical and health and safety. No request to the Budget Division to fill a vacancy will be for other purposes.

*F.2 Plan for Refill of Vacant Positions (both current and anticipated vacancies)*

There are presently no vacant General Fund positions. NYSOFA is at its FTE target. Any General Fund vacancies that may arise would have potential for refilling only if they meet the standards of mission critical and/or health and safety. The opportunities for additional Special Revenue – Federal (SR-F) FTE’s are remote. Stagnant Federal funding has eroded the ability to support the existing level of SR-F staff and made the target unattainable. Nevertheless, NYSOFA will strive to maximize the available Federal PS funds to create a viable work force. NYSOFA’s best estimate for the FTE projections for the remainder of the fiscal year is enclosed and labeled **Attachment C**.

<b>Workforce Impact -- All Funds</b>	
<b>a. Initial Target:</b>	<b>141</b>
b. Current Fills PP# 3 or 4	129
c. Recurring impact of proposed actions (see Parts C & E)	0
d. Recurring impact of vacancy-refilling plan (see F.2)	4
e. Total FTEs March 31, 2009 (line b minus line c, plus/minus line d)	133
f. Change from Initial 2008-09 Target (line a minus line e)	8

## G. Monthly Projections: All Funds Workforce; General Fund State Operations/Local/Capital

B. State Operations	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Personal Service													
1st PP	87	88	88	88	88	88	88	88	88	88	88	88	1,055
2nd PP	87	88	88	88	88	88	88	88	88	88	88	88	1,055
3rd PP (if applies)	87	0	0	0	0	0	88	0	0	0	0	0	175
Subtotal PS	261	176	176	176	176	176	264	176	176	176	176	176	2,285
NPS	30	30	40	40	40	40	40	40	40	45	75	89	549
<b>Total Disbursements -- State Ops</b>	<b>291</b>	<b>206</b>	<b>216</b>	<b>216</b>	<b>216</b>	<b>216</b>	<b>304</b>	<b>216</b>	<b>216</b>	<b>221</b>	<b>251</b>	<b>265</b>	<b>2,834</b>
<b>C. Local Assistance</b>													
<b>Total Disbursements - Local</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>11,400</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>121,400</b>

Because the spending decisions of 59 AAA's will determine actual disbursements in any given month for any given Local Assistance appropriation, only summary data is included for presentation purposes.

(-double click to enter table)

## H. Assumptions Underlying the Proposed Plan

The proposed plan assumes that further offloading State Operations expenses to Federal funds is no longer a viable option. Further, the Plan envisions no relief from cooperation with other State agency.

## I. Management of Risks Inherent in the Plan

The risks inherent in any spending curtailment are a reduction in the quantity or quality of NYSOFA supplied services and programs. Continued monitoring of programs through Area Agency on Aging Quarterly Reports and sampling of the Expanded In-Home Services for the Elderly Program (EISEP) survey will address the quantitative key measures. The initial EISEP survey, conducted in 2005, from a representative sample of AAA's, offered a profile of the demographic, health ailment and impairments of clients. The survey also included the amount and type of formal and informal services customers received. Reauthorizing this survey in 2009-10, would afford a means for measuring whether there was a reduction of service levels with funding reductions.

With a combination of State and Federal funds, the traditional and advanced Performance Outcome Measures Project (POMP) assists the Federal Administration on Aging (AOA) to create federal accountability standards for testing outcome measures. As one of nine states working with AOA, New York has collected data from six counties on:

- Caregiver Support,
- Case Management,
- Home Care,
- Home - Delivered Meals,
- Congregate Meals, and
- Transportation Services.

Continued participation in POMP in the out years should afford NYSOFA performance measures to evaluate any diminutions in service, program or support quality resulting from fiscal austerity.

**J. Additional Savings Opportunities for 2008-09**

NYSOFA cannot offer up additional savings opportunities at this time. The negotiated salary increases that affect all our SR-F items for last year, the current year and the two out years will erode our Federal grants' administration Personal Service by almost 14 percent by the end of the contract period. This erosion coupled with stagnant grant amounts over the past few years have compromised our staffing capabilities. For an agency of this size, every residual FTE is precious and any further limitations would compromise our mission. The size of the State Operation General Fund NPS precludes further meaningful savings. Finally, any additional Local Assistance funding reductions will likely result in the elimination or severe curtailment of certain individual programs.

**K. Potential Future Savings Opportunities/Operational Improvements (indicate if statutory change is required)**

N/A

ATTACHMENTS

**Attachment A**

**Financial Management Plan**

**Projected vs Actual Monthly Cash Disbursements**

**STATE OPERATIONS**

New York State Office for the Aging

General Fund

15-May-08

State Agency

Name of Account or Fund

Date

Copy To

	PROJECTIONS						ACTUALS						
	CASH	DISBURSEMENTS		FROM			CASH	DISBURSEMENTS		FROM			
	2007-2008	2008-09 Appropriations		Reappro- priations	Monthly Disbursement Total	Year-to-Date Disbursement Total	2007-2008	2008-09 Appropriations		Reappro- priations	Monthly Disbursement Total	Year-to-Date Disbursement Total	
	Carryover	PS	NPS				Carryover	PS	NPS				
Appropriations						Disbursements							
APRIL	91,537	178,640	0		270,177	270,177	91,537	178,640	0	0	0	270,177	270,177
MAY	133,678	172,955	20,000		326,633	596,810	133,678	0	0	0	0	133,678	403,855
JUNE	0	173,000	25,000		198,000	794,810	0	0	0	0	0	0	403,855
JULY	xxxxxxx	173,000	35,000		208,000	1,002,810	xxxxxxx	0	0	0	0	0	403,855
AUGUST	xxxxxxx	173,000	35,000		208,000	1,210,810	xxxxxxx	0	0	0	0	0	403,855
SEPTEMBER	xxxxxxx	173,000	35,000		208,000	1,418,810	xxxxxxx	0	0	0	0	0	403,855
OCTOBER	xxxxxxx	260,000	35,000		295,000	1,713,810	xxxxxxx	0	0	0	0	0	403,855
NOVEMBER	xxxxxxx	173,000	45,000		218,000	1,931,810	xxxxxxx	0	0	0	0	0	403,855
DECEMBER	xxxxxxx	173,000	50,000		223,000	2,154,810	xxxxxxx	0	0	0	0	0	403,855
JANUARY	xxxxxxx	173,000	50,000		223,000	2,377,810	xxxxxxx	0	0	0	0	0	403,855
FEBRUARY	xxxxxxx	173,000	50,000		223,000	2,600,810	xxxxxxx	0	0	0	0	0	403,855
MARCH	xxxxxxx	163,405	35,000		198,405	2,799,215	xxxxxxx	0	0	0	0	0	403,855
<b>TOTALS</b>	225,215	2,159,000	415,000	0	2,799,215	2,799,215	225,215	178,640	0	0	0	403,855	403,855

**Attachment B**  
**Financial Management Plan**

**NEW YORK STATE OFFICE FOR THE AGING**

2 Empire State Plaza, Albany, NY 12223-1251  
David A. Paterson, Governor                      Michael Burgess, Director  
An Equal Opportunity Employer

<b>TECHNICAL ASSISTANCE MEMORANDUM</b>	<b>Number</b>
	<b>Supersedes</b>
	<b>Expiration Date</b>

**DATE:**            **DRAFT**

**TO:**              AAA Directors and Fiscal Staff

**SUBJECT:**      Fiscal Options Available to Area Agencies on Aging

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**PURPOSE**

The purpose of this Technical Assistance Memorandum (TAM) is to provide the Area Agencies on Aging with a reminder and an overview of the fiscal options available which can help target available funding to the most needed services as determined locally. While the enacted state budget included 2% across the board cuts to each State funded local assistance appropriation, there are flexibilities built into NYSOFA programs which may help AAAs to cope with this and other difficult fiscal situations that Area Agencies may be facing.

**BACKGROUND**

In SFY 2008-09, the enacted budget included a 2% cut to all non-entitlement local assistance programs, across the board, across all agencies. This may present problems maintaining service delivery levels or present problems in implementing local decisions aimed at targeting the state funding to the highest priority services. Due to local economic issues Area Agencies and their sponsors may be forced to reduce the amount of overmatch provided for aging programs. Some Area Agencies may be unable to obtain the local matching funds needed to apply for a portion of the Federal/State funding administered by our Office.

At the same time Area Agencies operate within a complex funding structure involving multiple funding sources, each of which has its own specific requirements. As a result,

it may often be difficult for Area Agencies to identify ways of shifting resources to meet the most critical needs of the elderly in their county(ies), City or service delivery area. However, there are many features of our grant programs which provide the Area Agencies certain flexibility/options that may be useful in responding to many fiscal situations. These features are described below.

### **TITLE III TRANSFERS**

The Older Americans Act (OAA) identifies a specific array of services which can be funded from each Title III allotment. For example home-delivered meals can be funded under Title III-C-2 but not under Title III-C-1 or Title III-B. Congregate meals can be funded under Title III-C-1 but not under Title III-C-2 or Title III-B.

Each year our Office allocates Title III funds to the Area Agencies using the Intrastate Funding Formula (IFF). Area Agencies should review their allocations and determine whether or not there are sufficient funds under one Title III Program to meet the most essential service needs of the elderly for the coming year. For example, an Area Agency may determine that their Title III-C-2 allocation (and SNAP funding) is not sufficient to meet the need for home-delivered meals in their PSA. The Area Agency can address this situation through a transfer of Federal funds. The OAA allows our Office to approve transfers between Title III-C-1 and Title III-C-2 as well as between Title III-B and Title III-C. Area Agencies should request approval for such transfers when submitting their Title III-B and Title III-C Applications for Funding and/or budget modification requests.

Transfers can only be made from current year funds. While transfers cannot be made from carryover funds, Area Agencies should consider their total available Federal funding, including carryover, when deciding whether to request Title III transfers. Currently each Area Agency is limited to a transfer of up to 30% of their Federal allocation between Titles III-B and III-C. Transfers between Titles III-C-1 and III-C-2 are limited to 40% on a statewide basis. However, an Area Agency may request a transfer of more than 40% between Titles III-C-1 and III-C-2. Our Office will generally approve such requests as long as adequate justification is provided **and** we are able to stay within the 40% limit on a statewide basis. AAA's are reminded that in order for NYSOFA to finalize the state level Title III transfers with the Administration on Aging by the end of the federal fiscal year, all Title III transfer requests must be submitted by August 31<sup>st</sup> of each year.

The careful use of Title III transfers can assist Area Agencies in maximizing the Federal funds available to best meet the service needs of the elderly in their PSA.

### **BUDGETING FOR TITLE III AREA PLAN ADMINISTRATION**

Under the Older Americans Act an amount of up to 10% of the combined allocations for Titles III-B, III-C-1, III-C-2, III-D and III-E can be used for Area Plan Administration. However, Area Plan Administration costs can only be charged to Title III-B, Title III-C-1, Title III-C-2 and III-E funds. Since Area Plan Administration is essentially a separate cost center which is not directly tied to III-B, III-C-1, III-C-2 or III-E, an Area Agency has flexibility in how it budgets its Area Plan Administration costs. This flexibility is similar to that provided by Title III transfers. If an Area Agency has a greater need for services dollars under Titles III-C-1 and III-C-2, they can budget most or all of their Area Plan

Administration costs under Title III-B, thereby making more dollars available for III-C services.

### **TITLE III CARRYOVER**

AAAs can carry over up to 7.5 % of III-B and III-C and up to 25% of III-D and III-E funds from year to year. Higher carryover percentages are allowable but the amounts in excess of these percentages must be used to target services to minority and other at risk seniors. These funds can be used on a non-recurring basis to supplement services where other funding has been cut, where needs have increased or where new initiatives may be anticipated. Of course, anticipated service needs must be allowable under the program where funds are being carried over.

### **TRANSFER OF EISEP COST SHARING**

Under the Community Services for the Elderly Program (CSE) and the Expanded In-home Service for the Elderly Program (EISEP) AAAs can request approval to transfer to CSE, some or all of the cost sharing funds collected under EISEP. Transfers of cost sharing funds **cannot** be made from CSE to EISEP. Under EISEP the Area Agencies are limited to providing case management, homemaker/personal care, housekeeper/chore, non- institutional respite and ancillary services. Under CSE a much broader range of services can be provided. Therefore, if an Area Agency determines that there is a need for particular services that cannot be provided under EISEP but can be provided under CSE, it may want to request a transfer of cost sharing funds from EISEP to CSE to help meet this need. AAAs that do not expend all of their EISEP funds should seriously consider this feature in order to help maximize their EISEP expenditure level. Please note that the transfer of EISEP cost share to CSE does not result in any additional local matching funds, as both programs have the same matching requirement.

### **USE OF CONTRIBUTIONS AS MATCH**

Generally contributions collected under NYSOFA administered programs must be used to expand the services provided under the particular program which generated the contributions. The Administration on Aging has determined that under Older American's Act programs, contributions may not be used as match. However, under State funded programs that require match for services dollars, Area Agencies can request NYSOFA approval to use contributions as match. Although contributions are considered the "match of last resort", our Office has generally approved such requests when the contributions were used to match new State dollars and there were insufficient other sources of funding available to meet the match requirement.

When contributions are used as local match it reduces the overall size of the program and the amount of services delivered. Therefore, it is preferable to use other sources of local match. However, our Office recognizes that some AAAs are having difficulty obtaining sufficient local match, so we are willing to consider requests to use contributions as match even when the contributions will not be used to match new State dollars. Such requests must be accompanied by appropriate justification.

Note that cost sharing collected under CSE and EISEP **cannot** be used as match.

## **IN-KIND MATCH**

Our Office allows Area Agencies to use in-kind costs as match under our grant programs. In-kind match is that provided by a third party at no cost to the Area Agency. A third party is an organization which does not receive funding under our grant programs either directly or through subcontract. In-kind match is only allowed for rent and for salaries/wages and the related fringe benefit costs. The value of in-kind is determined by the actual cost to the third party and there must be a written agreement between the Area Agency or its subcontractor and the third party.

For example a municipality that does not receive any funding from the Area Agency or its subcontractors, may agree to provide free (i.e., no charge to Area Agency or their subcontractors) space for a congregate meal site. The costs (e.g., rent, electricity, heat, janitorial services) incurred by the municipality for the donated space could be used as in-kind match under Title III-C-1. In order to be allowable as match, the third party must pay for the in-kind expenses with funds that are otherwise allowable for use as match for the related State and/or Federal funds. Generally, Federal funds cannot be used to match other Federal funds and the same local funds cannot be used to match more than one State and/or Federal program. In-kind match is only allowed to the extent that the costs benefit the particular Federal or State program.

Area Agencies should review their service delivery system to determine if third party relationships exist and whether there is in-kind match potentially available. As with contributions, the use of in-kind match to replace current cash match could reduce the overall amount of funds available for services.

## **SPONSOR CASH MATCH**

Often the Area Agency's sponsor incurs certain general costs related to the Area Agency's activities. For example the sponsor may issue payroll checks, purchase goods, execute contracts, pay vendor and subcontractor claims and maintain accounting records for the Area Agency. If properly documented and paid from allowable sources, the funds used to pay these costs can be used by the Area Agency as match under their grants. These costs are classified as cash match as they are incurred by the sponsor rather than a third party.

Generally, funds used to pay such costs may only be used to match administrative expenditures in programs where administrative costs are allowed and where match is required for administrative expenses. However, there are exceptions where these funds can be used as services match. For example, funds used to pay the utility costs for a sponsor owned meal site or those used to pay for maintenance on a meal delivery van could be used to match Federal/State services dollars.

## **MAXIMIZING FEDERAL AND STATE FUNDS**

There are several factors that Area Agencies need to consider in order to maximize the use of their Federal and State grant funds. For example, the Federal and State grant programs administered by NYSOFA operate on many different fiscal cycles (e.g., 1/1-12/31, 4/1-3/31, 7/1-6/30). Unexpended Title III funds can be carried over, whereas unexpended State funds generally are not available to the Area Agencies beyond the end of the State Fiscal Year. Also, although each grant program has its own specific requirements, costs for a particular service are often allowable under more than one

grant program. For example, food costs for home delivered meals are allowable under SNAP, Title III-C-2 and NSIP.

Area Agencies should be aware of these factors and closely monitor their expenditure levels, in order to take specific actions to maximize the use of their Federal and State funds. For example, while our Office normally encourages Area Agencies to use their NSIP funds as soon as awards become available, this may not be the best approach as you near the end of your SNAP program period. If an Area Agency determines that the immediate use of a new NSIP award for current food costs would result in SNAP funds remaining unexpended, then it is preferable to charge the food costs to SNAP to the extent funds are available.

It is particularly important that Area Agencies closely monitor their expenditures of State and Federal funds that don't require any match to ensure that these 100% funds are fully utilized. The funds that don't require any match include: SNAP, WRAP, NSIP, HIIICAP, LTCIEOP, LTCOP, NSIP, Title VII, Transportation, Caregiver Resource Centers, CSE Planning & Implementation and EISEP implementation.

### **SPECIFIC EXAMPLES OF FLEXIBILITY BEING USED TO DEAL WITH THE SFY 2008 BUDGET CUTS**

While it is expected that most AAAs will need to and intend to use the SNAP increase for meals and related nutrition services, some AAAs have expressed a need for more funding for EISEP, Transportation or other services. Should these local decisions be made, the following scenarios which apply to costs incurred for III-C meals being transferred to SNAP freeing up Federal III-C funds could be approved by NYSOFA:

- These funds can be transferred to III-B to fund transportation, congregate services, non-cost shared EISEP services or other III-B services.
- These funds can be transferred to III-B to fund services presently provided under CSE. CSE funds freed up can then be used to fund EISEP-like services to cost sharing clients.

This flexibility also works in the reverse direction in situations where need for increased nutrition services exceeds the SNAP funding increase. Some III-B or CSE services may be transferrable to EISEP, e.g., case management or in-home standards that meet EISEP standards, the resulting available CSE funds can be used for nutrition services or can pick up III-B service expenses and the resulting available III-B funds can be transferred to III-C to fund nutrition services.

All Title III transfers must fall within the aforementioned transfer parameters.

### **SUMMARY**

Each Area Agency should periodically reaffirm the priority service needs for the elderly in their service delivery area. The Area Agency should also analyze their current levels of contributions, Federal, State and local funds and consider the impact of any projected funding changes. Area Agency staff should then consider how the options outlined in this TAM can assist them in aligning the available funding with the priority service needs.

NYSOFA should be kept informed of the fiscal and program issues confronting the Area Agencies. NYSOFA staff are available to offer technical assistance to the Area Agencies as they examine the available funding options. Please contact your Aging Services Representative to alert us to any program or fiscal concerns you have, or to request technical assistance.

For more detail on fiscal procedures and requirements, please visit the AAARIN web site at <http://aaarin.ofa.state.ny.us/index.cfm> and click on the "Fiscal" tab in the left hand corner.

**PROGRAMS AFFECTED:**

- |   |   |   |   |   |
|---|---|---|---|---|
| <input checked="" type="checkbox"/> Title III-D | <input checked="" type="checkbox"/> Title III-E | <input checked="" type="checkbox"/> Title III-B | <input checked="" type="checkbox"/> Title III-C-1 | <input checked="" type="checkbox"/> Title III-C-2 |
| <input checked="" type="checkbox"/> EISEP       | <input checked="" type="checkbox"/> NSIP        | <input checked="" type="checkbox"/> CSE         | <input checked="" type="checkbox"/> SNAP          | <input checked="" type="checkbox"/> Energy        |
| <input checked="" type="checkbox"/> Other:      |   | <input checked="" type="checkbox"/> Title V     | <input checked="" type="checkbox"/> HIICAP        | <input checked="" type="checkbox"/> LTCOP         |

**CONTACT PERSON:** Fiscal Teams  
ASRs

**TELEPHONE:** 518-473-4808  
518-454-5476

Attachment C  
 Financial Management Plan  
**New York State Office for the Aging**  
 SFY 2008-09 Full Time Equivalents (FTE's) Projections

	<u>Actual PP #2</u>	<u>PP #4</u>	<u>PP #6</u>	<u>PP #8</u>	<u>PP #10</u>	<u>PP #12</u>	<u>PP #14</u>	<u>PP #16</u>	<u>PP #18</u>	<u>PP #20</u>	<u>PP #22</u>	<u>PP #24</u>	<u>PP #26</u>
General Fund	32	33	33	33	33	33	33	33	33	33	33	33	33
Federal Funds	94	95	96	97	99	101	101	102	102	101	100	99	99
Special Revenue	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<u>127</u>	<u>129</u>	<u>130</u>	<u>131</u>	<u>133</u>	<u>135</u>	<u>135</u>	<u>136</u>	<u>136</u>	<u>135</u>	<u>134</u>	<u>133</u>	<u>133</u>

**Attachment A**  
**Financial Management Plan**  
**Projected vs. Actual Monthly Disbursements**

New York State Office for the Aging

General Fund

Local Assistance

State Agency

Name of Account or Fund

Copy To

	PROJECTIONS									
	CASH	DISBURSEMENTS		FROM		CASH	DISBURSEMENTS		FROM	
	2007-2008 Carryover Appropriations	2008-09 Appropriations GRANTS	Reappropriations	Monthly Disbursement Total	Year-to-Date Disbursement Total	2007-2008 Carryover Disbursements	2008-09 Appropriations GRANTS	Reappropriations	Monthly Disbursement Total	Year-to-Date Disbursement Total
APRIL	3,100,000	0	0	0	0	3,100,000	0	0	3,100,000	3,100,000
MAY	0	2,500,000	0	2,500,000	2,500,000	0	2,500,000	0	2,500,000	5,600,000
JUNE	0	7,200,000	0	7,200,000	9,700,000	0	7,200,000	0	7,200,000	12,800,000
JULY	0	21,900,000	0	21,900,000	31,600,000		21,900,000	0	21,900,000	34,700,000
AUGUST	0	9,500,000	0	9,500,000	41,100,000		9,500,000	0	9,500,000	44,200,000
SEPTEMBER		5,500,000	0	5,500,000	46,600,000		5,500,000	0	5,500,000	49,700,000
OCTOBER	xxxxxxx	7,700,000	0	7,700,000	54,300,000	xxxxxxx	7,700,000	0	7,700,000	57,400,000
NOVEMBER	xxxxxxx	18,100,000	0	18,100,000	72,400,000	xxxxxxx	18,100,000	0	18,100,000	75,500,000
DECEMBER	xxxxxxx	15,200,000	0	15,200,000	87,600,000	xxxxxxx	15,200,000	0	15,200,000	90,700,000
JANUARY	xxxxxxx	4,500,000	0	4,500,000	92,100,000	xxxxxxx	4,500,000	0	4,500,000	95,200,000
FEBRUARY	xxxxxxx	6,800,000	0	6,800,000	98,900,000	xxxxxxx	6,800,000	0	6,800,000	102,000,000
MARCH	xxxxxxx	19,400,000	0	19,400,000	118,300,000	xxxxxxx	19,400,000	0	19,400,000	121,400,000
TOTALS	3,100,000	118,300,000	0	118,300,000	121,400,000	3,100,000	118,300,000	0	121,400,000	121,400,000

N.B. This spreadsheet is intended for presentation purposes only. The contents are oversimplified and do not display an accurate array by spending categories.

The exact mix of 59 AAA's spending decisions cannot be accurately projected month by month. This chart displays historical spending patterns.