



County of Santa Cruz⁰²³⁹

HUMAN RESOURCES AGENCY
CECILIA ESPINOLA, ADMINISTRATOR
1000 EMELINE ST., SANTA CRUZ, CA 95060
(408) 454-4130 OR **454-4045** FAX: **(408) 454-4842**

November 29, 1999

AGENDA: December 7, 1999

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

CONTINUED REPORT ON INTRASTATE FUNDING FORMULA ALLOCATION TO LOCAL AREA AGENCY ON AGING

Dear Members of the Board:

On October 5, 1999, your Board considered a report from the Human Resources Agency concerning the intrastate funding formula to the local Area Agency on Aging. At that time, your Board requested the Food and Nutrition Services, Inc. (FNS) to further research this matter.

Attached is Food and Nutrition Services' November 29, 1999 report which provides further information and recommendations regarding this issue, for your Board's consideration.

IT IS THEREFORE RECOMMENDED that your Board accept and file this continued report on the Intrastate Funding Formula allocation to the local Area Agency on Aging.

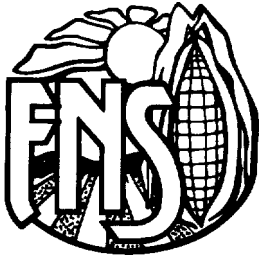
Very truly yours,

CECILIA ESPINOLA
Administrator

CE/GM (n:\hra\board\brdltr2.iff)

RECOMMENDED:

Susan A. Mauriello
County Administrative Officer



FOOD & NUTRITION SERVICES, INC.

family **Services** Senior **Services** Transportation **Services**

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November 29, 1999

Agenda Date: December 7, 1999

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Re: Report on Intrastate Funding Formula

Dear Members of the Board:

This letter is a follow-up to the County HRA report dated September 28, 1999 and my letter dated October 4, 1999, concerning the Intrastate Funding Formula, Welfare & Institutions Code §9112. In October, your Board requested that Food & Nutrition Services research the matter further and bring back an analysis and a conclusion on the following issue.

ISSUE:

Is the California Department of Aging violating the hold harmless clause of the IFF statute by allocating to the local Area Agency on Aging (Seniors' Council of Santa Cruz and Santa Benito Counties, Planning and Service Area 13) federal and state Title III funds at a level that is less than the level of the 1984-85 fiscal year?

W&I Code §9112(b)(4) adds to the IFF the following:

A hold-harmless factor that guarantees that no planning and service area shall have its federal and state allocation of funds under Title III of the federal Older Americans Act (42 U.S.C. Sec. 3021, et. seq.), excluding area agency on aging administrative costs and funds carried over from the 1983-84 fiscal year, reduced below the 1984-85 fiscal year funding levels.

ANSWER:

Based on information provided by the Seniors' Council, and which is cross-referenced against FNS financial records, the answer is that the CDA is not abiding by the hold-harmless factor because the 1998-99 and the 1999-00 state and federal Title III funding are \$120,975 and \$116,006, respectively, below the 1984-85 funding levels.

ANALYSIS:

Title III of the Older Americans Act provides congregate and home-delivered meals and supportive services, e.g. legal services, for persons over the age of 60. The relevant funding is made up of federal funds, state-required matching funds, state over-match funds, and U.S. Department of Agriculture meals reimbursement. The difficulty in answering this issue is that there previously was no clear breakdown among these components for the 1984-85 base year. In the September 28, 1999 HRA report, the 1984-85 funding amount (which is commonly referred to as the hold-harmless amount) was identified as \$1,323,197. This figure had been used in certain Seniors Council correspondence; however, this was not subject to verification and was not broken down to identify the above components. Also, it had been my estimation that this number included USDA reimbursement.

In order to arrive at an accurate assessment of the comparative state and federal Title III funding it is necessary to remove the USDA meals reimbursement and the administrative portion of Title III funds, see W&I Code §9112(b)(4) supra. USDA reimbursement should not be included because 1) arguably it is not a Title III funding component and 2) because the use of the USDA 1999/00 planning estimates give a false result. The planning estimates for 1999/00 inflate the USDA reimbursement by \$33,140 because it shows \$154,000 when in fact \$120,860 was collected in 1998/99. In fact, for 1999-00 the initial USDA reimbursement rate has been reduced from \$.55 to \$.54 per meal. In addition, the Title III administrative costs should be excluded by specific reference.

Attached as Exhibit A is a memo dated November 23, 1992, from Jennifer Davis (former Seniors Council Executive Director) to Ellen Pirie of Senior Citizens Legal Services. In this memo, Ms. Davis breaks down the 1984-85 funding into its various components and identifies the Total Baseline Allocation for that year, i.e. \$1,266,854. Cross-referencing these numbers with FNS' financial records confirms that this Baseline does not include USDA reimbursement. By extracting the administrative costs we arrive at a revised hold-harmless benchmark of **\$1,182,651**.

Taking the 1999-00 CDA Planning Estimates, Exhibit B, spreading the figures in a similar fashion, Exhibit C, and removing the administrative costs shows a \$116,006 reduction i.e. from \$1,182,651 down to \$1,066,645.

Doing the same for the 1998-99 funding year, Exhibit D, shows a reduction of \$120,975—from \$1,182, 651 down to \$1,061,676. You can see that the cause is the huge reduction in federal funding resulting from the funding formula that came out of the IFF lawsuit, Martinez .v .CDA D.C. No. CV-91-03343-RMT. State over-match funds have increased but not enough to make up the difference.

The service most impacted by this reduction have been the congregate (Title III C-1) and home-delivered (Title III C-2) meals programs. In 1998-99 and 199900 the Seniors Council has transferred \$118,241 and \$119,392, respectively, from Title III C services, i.e. meals, to Title III B supportive services (see Exhibits B and D). There has been program downsizing because of these cuts. In 1997/98, Watsonville lost one of its two senior centers. The Association of Watsonville Area

Seniors lost their AAA funding and the FNS' Watsonville International Senior Center was closed down and merged with AWAS. The pressure to reduce services to program participants in Santa Cruz County will continue if funding is not increased.

The above analysis is based upon programmatic information provided by the Seniors Council and has not been confirmed by them. It is done without the benefit of their source documentation or audited financial statements. It heavily relies on the November 23, 1992 memo by Jennifer Davis; however, those numbers correlate to FNS figures and our experience with AAA funding over the last few years. Though the exact numbers may not hold up under audit, the prevailing premise that CDA is not abiding by the hold-harmless factor we are confident will stand.

ACTION PLAN:

Because of FNS' significant stake in this issue, we would like to proceed with your support on the following course of action: 1) we will recommend that the Seniors Council review these figures for accuracy and make comment; and 2) we will forward this information to our state legislative representatives to initiate discussions of the feasibility of a political solution to this issue. In addition, we feel that there should be discussions among the affected parties of the feasibility of a legal solution to this issue.

It is therefore recommended that you accept and file this report on the hold-harmless factor of the Intrastate Funding Formula to the local AAA. Thank you for the opportunity to provide this report.

Respectfully submitted,

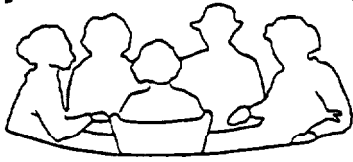


Sam Storey, Esq.
Executive Director

cc: Cecilia Espinola
Gary McNeil
Lisa Berkowitz
Tom Holland
Terry Hancock
Ellen Pirie
Pauline Valdivia

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SENIORS COUNCIL



OF SANTACRUZ & SAN BENITO COUNTIES, INC.

AREA AGENCY ON AGING

234 Santa Cruz Ave., Aptos, California 95003

PHONE: (408) 688-0400 or (408) 476-6033

FAX NO, (408) 688-1225

FAXTRANSMITTAL COVER SHEET

Date : November 23, 1992

To: Ellen Pirie

Senior Citizens Legal Services

Fax #: 426-3345

From: Jennifer Davis

Number of pages (including this page): 4

Notes or comments:

Here's a statement about how the state "non-match funds are currently allocated and what loss of those funds would mean.

I calculated carefully (i.e., actual service provider cost per unit of service, etc.) and have my documentation, if needed. The other

2 pages go together in one loooong page spelling out 1984-85 figures compared to current. Give me a call for any necessary interpretation.

Please call (408) 688-0400 to report any difficulties encountered in receiving this fax,

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P.S. I'll be out Thursday, part of Friday, and all day December 3 and 4. I hear we should get word on formula implementation soon.

State "Non-Match" funds (those in excess of the minimum amount required to match federal allocations) support an array of programs benefiting low-income, ethnic minority, rural or geographically-isolated, and frail seniors. In 1992-93, the Seniors Council has allocated State Non-Match funds as follows:

Ombudsman representation and advocacy on behalf of institutionalized elderly people in both counties:	\$27,882	3,034 service hours
Congregate nutrition -- meals served at nine senior centers in two counties:	\$73,753	22,137 meals
Meals on Wheels to homebound elderly people in both counties:	\$203,103	138,975 meals
Transportation in both counties:	\$1,585	1,014 rides
Information, referral, completion of forms, translation, legal assistance, and in-home services:	\$3,431	494 service units

In the Congregate Nutrition programs, elimination of the State Non-Match allocation would mean 147 seniors would be unable to come to senior dining sites for meals. Cuts in the Home-Delivered Nutrition (Meals on Wheels) program would be far more devastating, resulting in 532 seriously impaired homebound elderly people being cut off their primary source of nutrition. In San Benito County, where approximately one-fourth of the affected seniors reside, those ~~now being served~~ are 35% ethnic minorities and more than 50% low-income or very-low-income seniors.

	III-B	C(1)	C(2)	Federal Total	State Om- budsman	State Suppor- tive Servi ces	State Congre- gate Nutriti on	State Home Del i - vered Nutriti on	State Total
AAA Admi n.	35,727	33,440	15,036						
Ombudsman	20,682				5,388	13,010			
Other	305,812	333,160	149,801				230,784	124,014	
19 84- 85 TOTAL	362,221	366,600	164,837	893,658	5,388	13,010	230,784	124,014	373,196
AAA Admi n.	40,047	44,441	11,671				317	95	
Ombudsman	21,684				29,407				
El der Abuse Prev. In-Home Serv.									
Other	301,520	378,313	96,943				95,997	208,803	
1992- 93 TOTAL	363,251	422,754.	108,614	894,619	29,407	20,564	96,314	208,898	355,183

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Allocation Totals for Comparison	Federal Ombudsman Supplement	III-D (In-Home Serv's)	III-G Elder Abuse Prevention	State Ombudsman Supplement	State In-Home	State Elder Abuse Prevention	Total Baseline Allocation	SB4X Pilot Nutrition Project	USDA One-Time-Only	Total Combined Allocation
1,266,854								529		
								10,055		
1,266,854							1,266,854	10,584		1,277,438
	4,247			249						
			2,430			143				
		3,818			386					
								8,754		
1,249,802	4,247	3,818	2,430	249	386	143	1,261,075	8,754		1,269,829

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Title III/VII Budget Display
 -Fiscal Year 1999-00

SENIORS COUNCIL OF SANTA CRUZ AND SAN BENITO COUNTIES

Page 1 - Federal Funds		BASELINE	CUMULATIVE TRANSFERS	OTO	TOTAL	NET CHANGE
Title IIIB:	Administration	37,877	-	64	37,941	64
	LTC-Ombudsman-Program	22,393	291		22,393	291
	Other Supportive Services - Progr.	315,366	119,392	567	315,933	119,954
	Total Title IIIB	375,636	119,683	631	376,267	120,311
Title III C-1:	Administration	44,047		54	44,101	54
	Congregate Nutrition - Program	146,279	(119,683)	482	146,761	(119,201)
	Total Title III C-1	190,326	(119,683)	536	190,862	(119,147)
Title III C-2:	Administration	13,493			13,493	
	Home Delivered Nutrition - Program	81,471			81,471	
	Total Title III C-2	94,964			94,964	
Title III D	In-Home Services- Program	7,517			7,517	
Title IIIF	Preventive Health - Program	12,138			12,138	
	Total Title III	680,581		1,167	681,748	1,167
USDA:	Congregate Meals - C-1	59,400	-	1,041	60,441	1,041
	Home-Delivered Meals- C-2	94,600	-	1,725	96,325	1,725
	Total USDA	154,000	-	2,766	156,766	2,766
Title VII-(a)	Ombudsman - Program	8,129			8,129	
Title VII-(b)	Elder Abuse Prevention - Program	3,835			3,835	
	Total Title VII	11,964			11,964	
	Total Federal Funds	846,545		3,933	850,478	3,933

Comments: The maximum amount of Title III/VII Baseline expenditures allowable for the first quarter is: 173,428

Title III/VII Budget Display
 Fiscal Year 1999-00

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SENIORS COUNCIL OF SANTA CRUZ AND SAN BENITO COUNTIES

Page 2 - State Funds		BASELINE	CUMULATIVE TRANSFERS	OTO	TOTAL	NET CHANGE
Title III B:	Ombudsman - Program	33,961	-	-	33,961	4,549
	Other Supportive Services - Progr.	10,591	-	-	10,591	-
	Total Title III B	44,552		-	44,552	4,549
Title III C-1:	Administration	267			267	
	Congregate Nutrition - Program	229,727	87,815		229,727	87,815
	Total Title III C-1	229,994	87,815	-	229,994	87,815
Title III C-2:	Administration	71			71	-
	Home Delivered Nutrition - Program	204,903	(87,815)		204,903	(87,815)
	Total Title III C-2	204,974	(87,815)	-	204,974	(87,815)
Title III D	In-Home Services- Program	408			408	
Title III F	Preventive Health - Program	732			732	
	Total Title III	480,660	-	-	480,660	4,549
Title VII-(a)	Ombudsman - Program	244	-		244	-
Title VII-(b)	Elder Abuse Prevention - Program	187	-		187	-
	Total Title VII	431	-		431	-
	Total State Funds	481,091	-	-	481,091	4,549
Grand Total, Federal & State Funds		1,327,636	-	3,933	1,331,569	8,482

Comments:

Exhibit C

	Ill-B	C(1)	C(2)	Federal Total	State Ombudsman	State Supportive Services	State Congregate Nutrition	State Home- Delivered Nutrition	State Total
1998-99									
AAA Admin	37,913	44,202	13,525	95,640			267	71	338
Ombudsman	22,102			22,102	29,412				29,412
Program	434,214	28,673	81,175	544,062		10,591	141,912	292,718	445,221
Total				661,804					474,971
AAA Admin				-95,640					-338
Total less Admin				566,164					474,633
1999-00									
AAA Admin	37,877	44,047	13,493	95,417			267	71	338
Ombudsman	22,694			22,694	33,961				33,961
Program	435,325	27,178	81,471	543,974					445,221
Total	495,896	71,225	94,964	662,085		10,591	317,542	117,088	479,520
AAA Admin				-95,417					-338
Total less Admin				566,668					479,182

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	Allocation Totals for Comparison	Federal Ombudsman Supplement Services	III-D In-Home	III-F	III-G Elder Abuse Prevention	State Ombudsman Supplement	State In-Home	State III-F	State Elder Abuse Prevention	Total Baseline Allocation
1998-99										
AAA Admin Ombudsman Program										
			7,547	12,192			408	732		
Total w/ Admin	1,136,775									1,157,654
Total w/o Admin	1,040,797		7,547	12,192			408	732		1,061,676
1999-00										
AAA Admin Ombudsman Program										
			7,517	12,138			408	732		
Total w/ Admin	1,141,605									1,162,400
Total w/o Admin	1,045,850		7,517	12,138			408	732		1,066,645

Exhibit D

Award #: FF 9899-13
 Date: July 1, 1999
 Amendment #: 2
 Date: 02119199

0251

California
 Department of Aging
 (Rev. 4/98)

Title III/VII Budget Display
 Fiscal Year 1998-99

SENIORS COUNCIL OF SANTA CRUZ AND SAN BENITO COUNTIES

		BASELINE	TRANSFERS	OTO	TOTAL	NET CHANGE
Page 1 - Federal Funds						
Title III				0	37,913.	162
III B:	LTC-Ombudsman-Program	22,102	0		22,102	0
	Administration					
	Other Supportive Services - Progr.	315,973	110,241	12,704	334,877	136
Total Title III B		375,988	118,241	18,704	394,692	298
Title III C-1:						
	Administration	44,202	0		44,202	16
	Congregate Nutrition - Program	146,914	-118,241	4,230	151,144	143
Total Title III C-1		191,110	-110,241	4,230	185,346	159
Title III C-2:						
	Administration	13,525	0		13,525	18
	Home Delivered Nutrition - Program	91,175	0	5,647	96,822	16
Total Title III C-2		104,700	0	5,647	110,347	18
Title III D						
	In-Home Services- Program	7,547	0	376	7,923	4
Title III F						
	Preventive Health - Program	12,192	0	5,657	17,849	7
Total Title III		681,543	0	34,516	716,059	76
JSOA:						
	Home-Delivered Meals- C-2	59,400	8,536	3,850	63,258	3.85
Total USDA		94,000	7,900	5,867	100,467	5.88
		154,000	16,436	9,725	163,725	9.72
Title VII-(a)						
Title VII-(b)						
	Ombudsmen - Program	7,432	0	248	7,600	2.09
	Elder Abuse Prevention - Program	3.05	1	0	3.98	2.09
Total Title VII		11,203	0	248	11,451	2
Total Federal Funds		846,026	16,436	44,585	891,411	12,60
Comments:		The maximum amount of Title III/VII Baseline expenditures allowable for the first quarter is:				181,922

California
 Department of Aging
 (Rev. 4/98)

Award #: FF 98913
 Date: July 1, 1998
 Amendment #: 2
 Date: 02/19/99

Title III/VI Budget Display
Fiscal Year 1998-99

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SENIORS COUNCIL OF SANTA CRUZ AND SAN BENITO COUNTIES

Page 2 - State Funds		BASELINE	TRANSFERS	OTO	TOTAL	NET CHANGE
Title III B:	Ombudsman - Program	29,412	0		29,412	0
	Other Supportive Services - P r o -	10,562	0		10,582	0
	Total Title III B	39,974	0	0	39,974	0
Title III C-1:	Administration	268	0		268	0
	Congregate Nutrition - Program	241,773	95,907		241,776	-60
	Total Title III C-1	242,044	95,907	0	242,044	-60
Title III C-2:	Administration	71	0		71	0
	Home Delivered Nutrition - Program	205,903	-95,907		205,903	-81
	Total Title III C-2	205,974	-95,907	0	205,974	-81
Title III D	In-Home Services- Program	411	0		411	0
Title III F	Preventive Health - Program	737	0		737	0
	Total Title III	489,140	0	0	489,140	-141
Title VII-(a)	Ombudsman - Program	2 4 4	0		2 4 4	0
Title VII-(b)	Elder Abuse Prevention - Program	188	0		188	0
	Total Title VII	432	0	0	432	0
	Total State Funds	488,572		0	489,572	-141
Grand Total, Federal & State Funds		1,336,398	16,436	44,686	1,380,983	12,463

Comments:

Informational Only:	Title V Original Local Assistance Allocation	0
	Title V Amendment 11	0
	Title V 502(e) grant (One-Time-Only)	0
	Total Title V	0
	Total Title III/VI & Title V	1,380,983 12,463