



## EXPEDITING EXPENDITURES AT THE STATE LEVEL IN RESPONDING TO THE COVID-19 EMERGENCY

*April 6, 2020*

On Friday, March 13, 2020, the President declared that the ongoing Coronavirus Disease 2019 (COVID-19) pandemic is of sufficient severity and magnitude to warrant an Emergency determination under section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the “Stafford Act”), and that the emergency exists nationwide (see declaration). In addition, as the President stated in the Emergency Declaration, requests for a declaration of a “Major Disaster” as set forth in section 401(a) of the Stafford Act may be appropriate and encouraged governors and tribal leaders to consider requesting such a declaration through their FEMA regional administrator.

The Administration for Community Living (ACL) recognizes that in this COVID-19 pandemic, statewide procurement or other direct expenditures by the State Unit on Aging (SUA) may be critical to meeting the mission of the Older Americans Act (OAA). ACL is providing information on options available to states to expedite expenditures of OAA Title III, Families First Coronavirus Response Act, and CARES Act funds. These options include:

- The SUA may negotiate a contract on the state level that allows for individual Area Agencies on Aging (AAAs) or service providers to make purchases on a local level. The SUA also may procure items on a statewide level and permit AAAs the option of whether or not to receive items through the SUA’s procurement, and OAA funding is allocated through the approved Intrastate Funding Formula (IFF). The SUA may use various methods for reimbursement by the AAA to the SUA (for example, having the AAA reduce its claim or reimbursement request amount by the AAA’s share of the statewide procurement).
- The SUA may use State Plan administrative funding, up to allowable levels, for service expenditures. The SUA is not required to adhere to the approved IFF for such expenditures. Due to the unprecedented nature and magnitude of this COVID-19 pandemic, for allowable services under the OAA, states may treat such expenditures as service expenditures for purposes of calculating the required match. The SUA should ensure reporting of any clients, units, and services provided through such expenditures.
- Due to the unprecedented nature and magnitude of this COVID-19 pandemic, prior to distributing funding through the required IFF, the SUA may subtract up to 5% of funding under the OAA, Families First Coronavirus Response Act (FFCRA), and/or Coronavirus Aid, Relief, and Economic Security (CARES) Act for the SUA’s use in making direct expenditures and/or acting to procure items on a statewide level. The SUA may exercise this flexibility if it adheres to the following:
  - The SUA judges that provision of services/procurement of supplies by the SUA is necessary to ensure an adequate supply of such services and/or that such services can be provided/supplies procured more economically, and with comparable quality, by the SUA;
  - The SUA consults with AAAs prior to exercising the flexibility;

- The SUA uses such set aside funding for services provided through AAAs and other aging network partners to the extent reasonably practicable, in the judgment of the SUA and
- The SUA ensures reporting of any clients, units, and services provided through such expenditures.

For example, a SUA could use such set aside funding to make awards to portions of a state that may be more severely impacted by COVID-19 or to directly purchase services and supplies.

We encourage states to work through their ACL Regional Administrators to request any additional clarification.