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***SOCIAL SERVICES BLOCK  
GRANT PROGRAM***

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of State Assistance  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447  
[www.acf.hhs.gov/programs/ocs/programs/ssbg](http://www.acf.hhs.gov/programs/ocs/programs/ssbg)

**Information Memorandum**

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**Transmittal No. 01-2013**

**Date: March 28, 2013**

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**To:** Social Services Block Grant (SSBG) State Officials and Program Contacts

**Subject:** **Hurricane Sandy SSBG Supplemental Funds**

**Purpose:** To provide information to States regarding the distribution of Hurricane Sandy SSBG Supplemental Funds and provide guidance on allowable activities, reporting requirements, filing a Notice of Federal Interest, obligating and expending funds, and grantee monitoring.

**Background:** *The Disaster Relief Appropriations Act, 2013 [Public Law (P.L.) 113-2]* was signed into law on January 29, 2013, providing \$500 million in additional funds to the SSBG program (“Hurricane Sandy Supplemental Funds”) to address necessary expenses resulting from Hurricane Sandy, including social, health, and mental health services for individuals, and for repair, renovation and rebuilding of health care facilities (including mental health facilities), child care facilities, and other social services facilities. Under the sequestration actions authorized under the Balanced Budget and Emergency Deficit Control Act of 2012 and triggered by the Budget Control Act of 2011 (BCA), these appropriations are subject to a budget sequestration of 5.1 percent. Therefore, the total amount available for distribution to States is \$474.5 million.

**Distribution of Funds to States:**

The Fiscal Year (FY) 2013 Hurricane Sandy SSBG Supplemental Funds are only available to those States directly affected by Hurricane Sandy between October 25, 2012, and January 29, 2013 (the date of enactment for the law authorizing funds) and which have been declared by the President as a major disaster under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act for Hurricane Sandy. The Disaster Relief Appropriations Act, 2013 appropriates funds to address the necessary expenses for disaster response, recovery and other expenses directly resulting from Hurricane Sandy. The U.S. Department of Health and Human Services (HHS) will distribute funding to eligible States based on demonstrated need in accordance with objective criteria that are made available to the public. After due consideration of the demonstrated needs of States directly affected by Hurricane Sandy, HHS has selected an

allocation methodology that provides funding to States directly affected by Hurricane Sandy for continuing social services and rebuilding needs.

In order to receive SSBG Supplemental Funds, States must have received a Presidential disaster declaration for Hurricane Sandy for which Federal Emergency Management Agency (FEMA) Individual Assistance (IA) was authorized. IA is money or direct assistance from FEMA for individuals, families and businesses in an area whose property has been damaged or destroyed and whose losses are not covered by insurance. The FEMA IA data is collected consistently nationwide; is tied to specific declared disasters by State; and is aggregated using individual households that have declared a loss associated with the disaster and who have registered for assistance. HHS determined that the FEMA IA data resource served as the most prudent resource for determining allotments for disaster assistance to the States. The share for these funds is based on the following distribution approach:

- 100 percent of funds will be allocated based on each State's percentage of IA registrants as reported by FEMA as of Monday, March 18, 2013.

A table outlining the allocation to each State is included with this Information Memorandum as Attachment A.

The formula used for allocation of Hurricane Sandy Supplemental Funds differs from the regular SSBG grant, which uses State population data, in that it is based on FEMA's reported number of registrants for IA. FEMA IA registrant data was selected for several reasons. First, there was precedent for using IA registrant data in the allocation of previous SSBG emergency supplemental grants (Gulf Coast Hurricanes and 2008 Presidentially Declared Disasters). Moreover, FEMA IA data serves as a proxy for "demonstrated need" for making funds available, as required by statute.

#### **Allowable Activities:**

Services most frequently supported by SSBG include child care, child welfare, services for persons with disabilities, case management services, and protective services for adults. There are uniform definitions for 28 social services. If a service falls outside of the 28 definitions, States report the data under "other services."

Hurricane Sandy SSBG Supplemental Funds are available for services directly related to Hurricane Sandy that fall within the goals of the SSBG program and services as outlined in Title XX of the Social Security Act, as amended [42 U.S.C. § 1397 et seq.]. Title XX stipulates that States must direct services to one or more of five social services goals:

- a) Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- b) Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;

- c) Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families;
- d) Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- e) Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

The Disaster Relief Appropriations Act, 2013 [Public Law (P.L.) 113-2] further provides that, “in addition to other uses permitted by Title XX of the Social Security Act, funds appropriated in this paragraph for the Social Services Block Grant may be used for health services (including mental health services), and for costs of renovating, repairing, or rebuilding health care facilities, child care facilities, or other social services facilities.” Funds awarded under this act are in addition to the entitlement grants and cannot be used to fulfill entitlements.

Members of Congress expressed through statements on the floor of the House of Representatives that funds may be used for educational transportation services under certain conditions. States may specify in pre-expenditure reports the disaster related conditions under which educational transportation services are necessary. For example, transportation services may be necessary and allowable to prevent educational disruption for children who are temporarily displaced by the disaster and who are unable to access regularly available school transportation services. Additionally, because one of the challenges facing State officials has been the significant impact on child care facilities and the availability of child care for families in the affected areas, States may also access funds under SSBG for temporary child care facilities or to support the rebuilding of child care facilities, to provide assistance to families in accessing available child care, and to provide mental health services to caregivers and young children in child care settings.

#### **Informational Webinars and Consultation:**

The Office of Community Services (OCS) will announce dates for informational conference calls/webinar(s) regarding the allowable uses of funds under Title XX and the supplemental appropriation, including waiver processes for any services or activities not allowed under the regular provisions of Title XX. OCS and other HHS Offices such as the Office of Child Care (OCC) will provide technical assistance and help States identify uses for SSBG to provide a comprehensive array of services to support individuals, and families as they recover from the disaster. The conference calls will provide opportunities to discuss allowable uses for critical issues in the aftermath of Hurricane Sandy such as child care, health and mental health services, transportation services, facility repair, renovation, and rebuilding.

### **State Pre-Expenditure Reports, Required Waivers, and Release of Funds:**

To assure immediate access to supplemental resources, the Administration for Children and Families (ACF) will award up to 50 percent of each State's allotment upon receipt of their State's *initial* SSBG Supplemental Funds pre-expenditure report. This report should outline how the State will use available funding for activities allowable under the regular Title XX program, as well as clear timelines for execution and completion of grant activities. ACF will review and accept, comment on, or seek additional necessary information on the State's report of intended use within 10 business days of receipt.

In upcoming weeks, ACF will provide additional information in a question and answer format and will provide technical assistance regarding the allowable uses of funds under Title XX and the supplemental appropriation. Additional guidance can also be provided to address state-specific details on allowable uses for critical issues in each State in the aftermath of Hurricane Sandy. ACF will also provide further guidance on additional reporting requirements related to the use of funds.

To access the full allocation of SSBG Supplemental Funding after guidance and technical assistance have been provided, States must submit a *complete* SSBG Supplemental Funds pre-expenditure report outlining the intended use for the full State allotment of SSBG Supplemental Funds. The detailed and complete report on the State's intended use must be received no later than June 30, 2013, and made available publicly. The complete report should include a report on State plans for property repairs along with a waiver request for health, mental health, and building renovation, repair, or rebuilding activities not allowable under Title XX but allowable under provisions of the Disaster Relief Appropriations Act, as well as a clear timeline for the execution and completion of such activities.

Based on expressed Congressional intent that SSBG funds be available for health, mental health, and building renovation, repair, or rebuilding activities, ACF will conduct expedited review of all waiver requests. Waiver requests for renovation, repair, or rebuilding must include a description of the services and activities to be supported and the extraordinary circumstances warranting a waiver. States must also certify that the requested costs are not reimbursable through FEMA disaster assistance, under a contract for insurance, or by self-insurance. This certification will be verified through sample monitoring visits and review of documentation. Self-insurance is a formal plan, pursuant to law or regulation, in which amounts are set aside in a fund to cover the losses of specified types and amounts, typically by a commercial insurance company. If, during the award, a claim is paid which provides duplication of benefits by FEMA, insurance, or self-insurance, the grantee will be required to return the funds to HHS.

Since disaster related renovation, repair, and rebuilding will be considered extraordinary circumstances, the primary purpose of the waiver requests will be to obtain necessary information for Federal monitoring purposes. Approval of waivers for renovation, repair, or rebuilding of properties may be contingent upon additional information or regular implementation updates and may be subject to additional on-site monitoring and review. Recipients who may be involved in awards for construction, renovation or awards addressing physical or infrastructure damage, must adhere to environmental guidelines,

floodplain, and all other relevant requirements dictated by Federal, State, and local authorities.

The remainder of each State's allocation will be released upon acceptance of the *complete* SSBG Supplemental Funds pre-expenditure report. All funds will be awarded to States no later than September 30, 2013, unless a State can provide a valid reason for a portion of funds to be released at a later date.

States may use SSBG Supplemental Funds for disaster-related social service costs incurred as a direct result of Hurricane Sandy. SSBG Supplemental Funds used to cover costs incurred prior to October 25, 2012, will be subject to Federal review of documentation to verify the expenses are related to Hurricane Sandy response or recovery and have been provided to eligible populations.

**Notice of Federal Interest:**

If a State undertakes renovations, repairs, or rebuilding to a property that exceed the lesser of \$200,000 or 25 percent of the total allocation for the State, a Notice of Federal Interest (NFI) must be filed in the appropriate property records for the jurisdiction in which the property is located. Renovation, repair, or rebuilding costs that fall below this threshold are not covered by the requirement.

**Reporting Requirements:**

States that receive these SSBG Supplemental Funds are required to submit a pre-expenditure report (intended use plan) regarding the use of the SSBG Supplemental Funds. Activities will be reported under Code of Federal Domestic Assistance (CFDA) number 93.095.

The deadline for submission of the *complete* SSBG Supplemental Funds pre-expenditure report for the full State allocation will be June 30, 2013, but pre-expenditure reports may be submitted in advance of this deadline. This requirement is in accordance with Section 2004 of the Social Security Act [42U.S.C. § 1397c], which governs reporting requirements for the SSBG program and requires updates for substantial changes in activities supported.

States receiving SSBG Supplemental Funds are also required to submit a post-expenditure report. Due to the unique nature of the SSBG Supplemental Funds, some of the renovation, repair, or rebuilding activities and health services may not fit the State's definition of services or the Uniform Definition of Services provided by HHS. In such cases, the States are advised to note the activity or service as "Other Services" and differentiate between renovation, repair, or rebuilding costs, health care or mental health costs and include details in the SSBG Supplemental Funds post-expenditure report using the definition provided below. These pre- and post-reports are separate from those submitted for the regular SSBG.

States are reminded to track SSBG Supplemental Funds expenditure data for using the required OMB No.: 0970-0234 form. Reporting of renovation, repair, or rebuilding services should include the type of service (e.g. repair, renovation, and/or rebuild) as well

as the number and type of facilities (e.g. health, child care, and/or mental health) for which SSBG Supplemental Funds were used.

Reporting information on health care and mental health services should include the types of activities (or services) supported, and the categories or characteristics of individuals served (such as children, adults 59 and younger, adults 60 and older) [42 U.S.C. § 1397c].

### **Obligating and Expending Funds:**

According to general provisions of The Disaster Relief Appropriations Act, 2013, ACF may obligate funds until September 30, 2015, and grantees may expend funds during the year of obligation and the two succeeding years. As ACF plans to award all funds no later than September 30, 2013, this means each State must obligate and expend its allocation of SSBG Supplemental Funds by September 30, 2015. States will be notified as the deadline to obligate and expend funds approaches through monitoring calls and letters issued to the States.

If a State provides a valid reason that a portion of funds should be released after September 30, 2013, that portion of funds must be expended during the year of obligation and the succeeding two years.

A State has 90 days from the time at which final reports are due to ACF to pay for expenditures incurred through September 30, 2015. As such, a State may pay for the services completed through September 30, 2015, up to December 30, 2015, when the final report is due to the ACF Office of Grants Management (OGM).

Unobligated or unexpended SSBG Supplemental Funds must be reported on the Federal Financial Status Report form, SF-425. In addition to the SF-425, States must return the remaining balance of these funds to the ACF Division of Payment Management.

### **Monitoring:**

ACF will monitor State plans and implementation to assure compliance with all requirements of Title XX of the Social Security Act, The Disaster Relief Appropriations Act, 2013, and additional Federal guidance through Information Memoranda, award documents, and applicable Federal Regulations and Executive Orders. ACF will also utilize review of State plans and review of State reporting information to further assure compliance with all statutory and regulatory requirements. As noted above, regulations require an annual SSBG post-expenditure report with information on the services provided, total number of adults and children served, and amounts expended for each service. OCS will request separate pre- and post-expenditure reports for Hurricane Sandy Supplemental Funds.

ACF will also consult with States to identify and describe planned modifications to internal control systems in any circumstances in which new subrecipients (e.g. contracts) will be put in place by States to deliver services with Hurricane Sandy Supplemental Funds. On-site monitoring review will be used to assure compliance. ACF will also

utilize Office of the Inspector General (OIG) reports and State audits to assure compliance with all program and financial requirements.

ACF may issue additional guidance via information memoranda or direct correspondence with States regarding additional monitoring requirements, data collection and validation, and financial review and analysis designed to assure that funds are used for the intended purpose and to mitigate against waste, fraud and abuse.

OCS and its contractors plan to conduct monitoring and compliance visits for initial review of activities as early as June 2013 and periodically over the full period of project implementation. The process of audit and close-out activities are scheduled to begin effective September 2015 with an end date of September 2016.

#### **State Checklist For Obtaining Funds:**

- State assessment of social, health, mental health service, child care and other needs for individuals and families in communities affected by Hurricane Sandy.
- State submits *initial* SSBG Supplemental Funds pre-expenditure report to HHS and HHS releases up to 50 percent of State allocation.
- State assessment of needs for repair, renovation and rebuilding of health care facilities (including mental health facilities), child care facilities, and other social services facilities damaged by Hurricane Sandy and formulates use plan.
- State submits *complete* SSBG Supplemental Funds pre-expenditure report to HHS and HHS releases 100 percent of State allocation. The report includes details on plans for property repairs along with a waiver request for health, mental health, and building renovation, repair, or rebuilding activities not ordinarily allowable under Title XX.

#### **Additional Information:**

##### ***Definition and allowability of direct and administrative cost:***

<http://www.acf.hhs.gov/programs/ocs/resource/definition-and-allowability-of-direct-and-administrative-costs>

##### ***Reporting of SSBG Supplemental Emergency Fund Expenditures:***

<http://www.acf.hhs.gov/node/6036>

***The U.S. Department of Health and Human Services (HHS)*** has a toll-free hotline for people in crisis in the aftermath of this disaster. People in crisis are urged to call 1-800-273-TALK (1-800-273-8255).

Questions pertaining to the return of SSBG Supplemental Funds to the U.S. Department of Health and Human Services should be directed to:

HHS Division of Payment Management  
P.O. Box 6021

Rockville, MD 20852  
Telephone: (877) 614-5533

Questions regarding the fiscal reporting on SSBG Supplemental Funds, and the SF 425, should be directed to:

Lydia Peele  
Financial Management Specialist  
Office of Grants Management  
Division of Mandatory Grants  
Administration for Children and Families  
U.S. Department of Health and Human Services  
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Program questions regarding SSBG Supplemental Funds should be directed to:

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Jeannie L. Chaffin  
Director  
Office of Community Services

## Attachment A

### Social Services Block Grant Hurricane Sandy Supplemental Funds State Allocation Table

<b>State</b>	<b>Percentage Share Based on State FEMA Individual Assistance Registrants</b>	<b>Allocation</b>
<b>Connecticut</b>	2.23%	\$10,569,192
<b>Maryland</b>	0.25%	\$1,185,675
<b>New Jersey</b>	47.80%	\$226,794,105
<b>New York</b>	49.62%	\$235,434,600
<b>Rhode Island</b>	0.11%	\$516,428
<b>Total</b>		474,500,000

All funds are allocated by each State's share of Individual Assistance (IA) registrants through March 18, 2013, as reported by the Federal Emergency Management Agency (FEMA). Each State's allocation is a share of total available funding of \$474.5 million, which is the amount appropriated under the Disaster Relief Appropriation Act after the application of a 5.1% sequestration in accordance with the Balanced Budget and Emergency Deficit Control Act.