



# **Reporting of Maintenance of Effort for Federal Grants**

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**As Required by  
2022-23 General Appropriations  
Act, Senate Bill 1, 87th Legislature,  
Regular Session, 2021 (Article II  
Special Provisions Related to All  
Health and Human Services  
Agencies, Section 24)**

**Texas Health and Human Services  
Commission**

**October 2021**



**TEXAS**  
Health and Human  
Services

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# 1. Background

## Purpose

Pursuant to the 2022-23 General Appropriations Act, Senate Bill 1, 87th Legislature, Regular Session, 2021 (Article II, Special Provisions Relating to all Health and Human Services Agencies, Section 24), the Health and Human Services Commission (HHSC) is required to submit the following information to the Legislative Budget Board by October 1 and April 1 of each year for each federal grant received by the agency that has Maintenance of Effort (MOE) requirement:

1. The current amount of the MOE requirement for the grant;
2. The time period of which the current MOE requirement applies;
3. Total expenditures made towards meeting the current MOE requirement;
4. The time period for which current expenditures will impact future MOE requirements;
5. Projections of future MOE requirements based on current spending; and
6. If the agency projects the current MOE requirement will not be fulfilled, a narrative explanation of why and the impact of not doing so, including any projected loss of federal funding.

## Maintenance of Effort

This report contains the MOE information for each federal grant received by HHSC as of September 2021. MOE requirements mandate a level of financial effort a state must maintain for activities related to a specified public service (usually closely related to the grant program's purpose). Under a maintenance of effort provision, a State is required, as a condition of eligibility for Federal funding, to maintain its financial contribution to a program at not less than the amount of its contribution for some prior time period. A maintenance of effort formula ensures that Federal assistance results in an increased level of program activity and that a State does not simply replace State dollars with Federal dollars over time. For certain federal grants, HHSC has expended or projects to expend amounts above the assumed MOE requirement. Expenditures are impacted by appropriations made by the Legislature and may increase above the MOE requirement when additional funding is provided for programs or activities that are closely tied to the grant program's purposes.

## **Current and Future MOE**

For this report, the most recent federal fiscal year with actual expenditures is deemed current MOE year, and federal fiscal years with actual and/or projected expenditures are deemed as future MOE years. The current MOE year for both Block Grants for Community Mental Health (MHBG) and Block Grants for Prevention and Treatment of Substance Abuse (SABG) is federal fiscal year 2019 as opposed to federal fiscal year 2020 because federal fiscal year 2020 expenditures have not been finalized yet for both MHBG and SABG. Projected expenditures for future MOE years are not final and are subject to change.

## 2. Summary Table

HHSC receives the following federal grant programs that have an MOE requirement in the table below.

Assistance Listing	Description	Current MOE Year	MOE Requirement Current Amount	Total Expenditures towards Current Amount	Total Expenditures Over/(Under) MOE Requirement
84.181	Special Education Grants for Infants and Toddlers (IDEA-C)	2020	\$ 49,011,639	\$ 62,648,363	\$ 13,636,724
93.042	Long Term Care Ombudsman	2020	\$ 4,831,928	\$ 4,831,928	\$ 0
93.043 93.044 93.045 93.052	Aging Cluster Grants <sup>1</sup>	2020	\$ 4,394,592	\$ 4,394,592	\$ 0
93.558	Temporary Assistance for Needy Families (TANF)	2020	\$ 386,414,168	\$ 386,414,168	\$ 0
93.958	Block Grants for Community Mental Health (MHBG)	2019	\$ 466,383,910	\$ 497,016,690	\$ 30,632,780
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SABG)	2019	\$ 38,656,323	\$ 40,467,971	\$ 1,811,648

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<sup>1</sup> 93.043 – Disease Prevention and Health Promotions  
93.044 – Grants for Supportive Services  
93.045 – Nutrition Services  
93.052 – National Family Caregiver Program

## 3. By Fund Source

### 84.181 Special Education Grants for Infants & Families with Disabilities

#### Current MOE

The current federal fiscal year 2020 MOE amount for Special Education Grants for Infants & Families with Disabilities (IDEA Part C) is \$49,011,539. This requirement amount was calculated based on two years prior, not one year prior. Per 34 CFR § 303.225, the MOE must be at least equal to, “the total amount of State and local funds actually expended for ECI services...in the most recent preceding fiscal year”. As with most providers, revenues and reimbursements are not settled for two years in ECI, therefore the first year we can look at actual expenditures (that will not change) is two years prior. State funding must be expended at or above the federal fiscal year 2020 MOE amount between July 1, 2019 and September 30, 2020.

HHSC expects to meet the federal fiscal year 2020 MOE requirements for IDEA Part C. As of September 2021, HHSC has \$62,648,363 in actual expenditures associated to the IDEA Part C MOE for fiscal year 2020. These expenditures will be used to calculate the federal fiscal year 2022 IDEA Part C MOE amount required between July 1, 2021 and September 30, 2022.

#### Future MOE

The future federal fiscal year 2021 MOE for IDEA Part C is estimated as \$46,813,165. This amount was based on HHSC’s federal fiscal year 2019 MOE expended amount. State funding must be expended at or above the federal fiscal year 2021 MOE amount between July 1, 2020 and September 30, 2021.

HHSC expects to meet the federal fiscal year 2021 MOE requirements for IDEA Part C. HHSC has \$62,676,441 in projected expenditures associated to the IDEA Part C MOE for fiscal year 2021.

## Moe Table

<b>FFY</b>	<b>MOE Requirement</b>	<b>SFY 2019</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>Total</b>	<b>Total Expenditures Over/(Under) MOE Requirement</b>
<b>2019</b>	\$ 44,770,400	\$ 46,813,165	\$ 0	\$ 0	\$ 0	\$ 46,813,165	\$ 2,042,765
<b>2020</b>	\$ 49,011,639	\$ 0	\$ 62,648,363	\$ 0	\$ 0	\$ 62,648,363	\$ 13,636,724
<b>2021</b>	\$ 46,813,165	\$ 0	\$ 0	\$ 62,676,441	\$ 0	\$ 62,676,441	\$ 15,863,276
<b>2022</b>	\$ 62,648,363	\$ 0	\$ 0	\$ 0	\$ 64,762,881	\$ 64,762,881	\$ 2,114,518

## **93.042 Long Term Care Ombudsman**

### **Current MOE**

The current federal fiscal year 2020 MOE amount for Long Term Care Ombudsman is \$4,831,928. This requirement amount was calculated based on HHSC's expended amounts for Title III-B and Title VII programs for federal fiscal year 2019. States must expend on their Statewide Ombudsman Programs no less than what the states have expended in Title III-B and Title VII funds for federal fiscal year 2019<sup>2</sup>. State funding must be expended at or above the federal fiscal year 2020 MOE amount between October 1, 2019 and September 30, 2021.

HHSC expects to meet the federal fiscal year 2020 MOE requirements for Long Term Care Ombudsman. As of September 2021, HHSC has \$4,831,928 in actual expenditures associated to MOE for federal fiscal year 2020.

### **Future MOE**

The future federal fiscal year 2021 MOE for Long Term Care Ombudsman is estimated as \$4,831,928. This amount is again based on HHSC's expended amounts for Title III-B and Title VII programs for fiscal year 2019. State funding must be expended at or above the federal fiscal year 2021 MOE amount between October 1, 2020 and September 30, 2022.

HHSC expects to meet the federal fiscal year 2021 MOE requirements for Long Term Care Ombudsman. HHSC has \$4,831,928 in projected expenditures associated to Long Term Care Ombudsman MOE for federal fiscal year 2021.

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<sup>2</sup> 42 US Code Section 3026(1)(9)



## Moe Table

<b>FFY</b>	<b>MOE Requirement</b>	<b>SFY 2019</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>Total</b>	<b>Total Expenditures Over/(Under) MOE Requirement</b>
<b>2019</b>	\$ 4,967,872	\$ 4,967,872	\$ 0	\$ 0	\$ 0	\$ 4,967,872	\$ 0
<b>2020</b>	\$ 4,831,928	\$ 0	\$ 4,831,928	\$ 0	\$ 0	\$ 4,831,928	\$ 0
<b>2021</b>	\$ 4,831,928	\$ 0	\$ 0	\$ 4,831,928	\$ 0	\$ 4,831,928	\$ 0
<b>2022</b>	\$ 4,831,928	\$ 0	\$ 0	\$ 0	\$ 4,831,928	\$ 4,831,928	\$ 0

## **93.043, 93.044, 93.045, 93.052 Aging Cluster Grants<sup>3</sup>**

### **Current MOE**

The current federal fiscal year 2020 MOE amount for the aging cluster grants is \$4,394,592. This requirement amount was calculated by averaging the amount HHSC expended for federal fiscal years 2017, 2018, and 2019. States must maintain average amount of state funds it spent under the plan for the three previous fiscal years<sup>4</sup>. State funding must be expended at or above the federal fiscal year 2020 MOE amount between October 1, 2019 and September 30, 2021.

HHSC expects to meet the federal fiscal year 2020 MOE requirements for the aging cluster grants. As of September 2021, HHSC has \$4,831,928 in actual expenditures associated to MOE for federal fiscal year 2020.

### **Future MOE**

The future federal fiscal year 2021 MOE for the aging cluster grants is estimated as \$4,394,592. This amount is calculated by averaging the amounts HHSC expended for federal fiscal years 2018, 2019, and 2020. State funding must be expended at or above the federal fiscal year 2021 MOE amount between October 1, 2020 and September 30, 2022.

HHSC expects to meet the federal fiscal year 2021 MOE requirements for the aging cluster grants. HHSC has \$4,394,592 in projected expenditures associated to the aging cluster grants' MOE for federal fiscal year 2021.

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<sup>3</sup> 93.043 – Disease Prevention and Health Promotions  
93.044 – Grants for Supportive Services  
93.045 – Nutrition Services  
93.052 – National Family Caregiver Program

<sup>4</sup> 45 CFR Section 1321.49

## MOE Table

<b>FFY</b>	<b>MOE Requirement</b>	<b>SFY 2019</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>Total</b>	<b>Total Expenditures Over/(Under) MOE Requirement</b>
<b>2019</b>	\$ 4,429,002	\$ 4,429,002	\$ 0	\$ 0	\$ 0	\$ 4,429,002	\$ 0
<b>2020</b>	\$ 4,394,592	\$ 0	\$ 4,394,592	\$ 0	\$ 0	\$ 4,394,592	\$ 0
<b>2021</b>	\$ 4,394,592	\$ 0	\$ 0	\$ 4,394,592	\$ 0	\$ 4,394,592	\$ 0
<b>2022</b>	\$ 4,394,592	\$ 0	\$ 0	\$ 0	\$ 4,394,592	\$ 4,394,592	\$ 0

## **93.558 Temporary Assistance for Needy Families**

### **Current MOE**

The current federal fiscal year 2020 MOE amount for TANF is \$386,414,168. This requirement amount was calculated based on historical expenditures. States must maintain effort no less than 75 percent of federal fiscal year 1994 contribution to Aid to Families with Dependent Children (AFDC) related programs. AFDC was a previous federal assistance program which was replaced by TANF. States must maintain no less than 80 percent if a state fails to meet work participation requirements and 100 percent, excluding childcare expenditures, if a state receives contingency funds<sup>5</sup>. State funding must be expended at or above the federal fiscal year 2020 MOE amount between October 1, 2019 and September 30, 2020.

HHSC expects to meet the federal fiscal year 2020 MOE requirements for TANF. As of September 2021, HHSC has \$386,414,168 in actual expenditures associated to MOE for federal fiscal year 2020.

### **Future MOE**

The future federal fiscal year 2021 MOE for TANF is estimated as \$369,748,553. This MOE amount calculation is again based on federal fiscal year 1994 figures. State funding must be expended at or above the federal fiscal year 2021 MOE amount between October 1, 2020 and September 30, 2021.

HHSC expects to meet the federal fiscal year 2021 MOE requirements for TANF. HHSC has \$369,748,553 in projected expenditures associated to TANF MOE for fiscal year 2021.

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<sup>5</sup> 42 US Code Section 609 (a)(7)

**MOE Table**

<b>FFY</b>	<b>MOE Requirement</b>	<b>SFY 2019</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>Total</b>	<b>Total Expenditures Over/(Under) MOE Requirement</b>
<b>2019</b>	\$ 353,643,427	\$ 353,643,427	\$ 0	\$ 0	\$ 0	\$ 353,643,427	\$ 0
<b>2020</b>	\$ 386,414,168	\$ 0	\$ 386,414,168	\$ 0	\$ 0	\$ 386,414,168	\$ 0
<b>2021</b>	\$ 369,748,553	\$ 0	\$ 0	\$ 369,748,553	\$ 0	\$ 369,748,553	\$ 0
<b>2022</b>	\$ 369,748,553	\$ 0	\$ 0	\$ 0	\$ 369,748,553	\$ 369,748,553	\$ 0

## **93.958 Block Grants for Community Mental Health**

### **Current MOE**

The current federal fiscal year 2019 MOE amount for MHBG is \$466,383,910. This requirement amount was calculated by averaging the MOE amounts for federal fiscal years 2017 and 2018. States must maintain spending at the average of the state funded amount provided annually during the previous two years<sup>6</sup>. State funding must be expended at or above the federal fiscal year 2019 MOE amount between October 1, 2018 and September 30, 2020.

HHSC expects to meet the federal fiscal year 2019 MOE requirements for MHBG. As of September 2021, HHSC has \$497,016,690 in actual expenditures associated to MOE for federal fiscal year 2019.

### **Future MOE**

The future federal fiscal year 2020 MOE for MHBG is estimated as \$493,871,187. This MOE amount was calculated by averaging the MOE amounts for federal fiscal years 2018 and 2019. State funding must be expended at or above the federal fiscal year 2020 MOE amount between October 1, 2019 and September 30, 2022.

HHSC expects to meet the federal fiscal year 2020 MOE requirements for MHBG. HHSC has \$527,192,809 in actual expenditures associated to MHBG MOE for federal fiscal year 2020.

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<sup>6</sup> 42 US Code Section 300x-4 (b)

## MOE Table

FFY	MOE Requirement	SFY 2019	SFY 2020	SFY 2021	SFY 2022	Total	Total Expenditures Over/(Under) MOE Requirement
<b>2019</b>	\$ 466,383,910	\$ 497,016,690	\$ 0	\$ 0	\$ 0	\$ 497,016,690	\$ 30,632,780
<b>2020</b>	\$ 493,871,187	\$ 0	\$ 527,192,809	\$ 0	\$ 0	\$ 527,192,809	\$ 33,321,622
<b>2021</b>	\$ 512,104,749	\$ 0	\$ 0	\$ 557,874,156	\$ 0	\$ 557,874,156	\$ 45,769,407
<b>2022</b>	\$ 542,533,483	\$ 0	\$ 0	\$ 0	\$ 577,379,034	\$ 577,379,034	\$ 34,845,551

## **93.959 Block Grants for Prevention and Treatment of Substance Abuse**

### **Current MOE**

The current federal fiscal year 2019 MOE amount for SABG is \$38,656,323. This requirement amount was calculated by averaging HHSC's MOE expended amounts for federal fiscal years 2017 and 2018. States must maintain spending at the average of the state funded amount provided annually during the previous two years<sup>7</sup>. State funding must be expended at or above the federal fiscal year 2019 MOE amount between October 1, 2018 and September 30, 2020.

HHSC expects to meet the federal fiscal year 2019 MOE requirements for SABG. As of September 2021, HHSC has \$40,467,971 in actual expenditures associated to MOE for federal fiscal year 2019.

### **Future MOE**

The future federal fiscal year 2020 MOE for SABG is estimated as \$40,875,435. This MOE requirement amount is calculated by averaging HHSC's expended MOE amounts for federal fiscal years 2018 and 2019. State funding must be expended at or above the federal fiscal year 2020 MOE amount between October 1, 2019 and September 30, 2021.

Due to the impact of the Coronavirus Disease 2019 (COVID-19) on substance use provider spending, HHSC was not able to meet the MOE expenditure requirement for the federal fiscal year 2020 award. The reduction in SABG-MOE expenditures was not due to a decrease in demand, but a result of the COVID-19 pandemic and its impact on functional provider capacity. The COVID-19 pandemic necessitated substance use disorder providers taking public health actions to continue serving Texans, leading to a reduction in expenditures for residential services and inpatient services as clients were temporarily shifted to outpatient and telehealth services, which are generally less expensive than residential and inpatient services. HHSC applied for and received an MOE waiver from the Substance Abuse and Mental Health Services Administration (SAMHSA). As the MOE waiver was accepted, future federal funding will not be impacted. As of September 2021, HHSC has

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<sup>7</sup> 42 US Code Section 300x-30(a)



\$24,568,821 in actual and projected expenditures associated to MOE for federal fiscal year 2020, and \$4,400,000 in projected expenditures associated to MOE for federal fiscal year 2021. HHSC plans to apply for an MOE waiver for federal fiscal year 2021 due to the ongoing impact of COVID-19 on substance use provider spending.

## MOE Table

FFY	MOE Requirement	SFY 2019	SFY 2020	SFY 2021	SFY 2022	Total	Total Expenditures Over/(Under) MOE Requirement
2019	\$ 38,656,323	\$ 40,467,971	\$ 0	\$ 0	\$ 0	\$ 40,467,971	\$ 1,811,648
2020	\$ 40,875,435	\$ 0	\$ 24,568,821	\$ 0	\$ 0	\$ 24,568,821	(\$ 16,306,614)
2021	\$ 32,518,396	\$ 0	\$ 0	\$ 4,400,000	\$ 0	\$ 4,400,000	(\$ 28,118,396)
2022	\$ 34,411,443	\$ 0	\$ 0	\$ 0	\$ 51,042,084	\$ 51,042,084	\$ 16,630,641

# List of Acronyms

<b>Acronym</b>	<b>Full Name</b>
AFDC	Aid to Families with Dependent Children
COVID-19	Coronavirus Disease 2019
ECI	Early Childhood Intervention
FY	Fiscal Year
FFY	Federal Fiscal Year
HHSC	Health and Human Services Commission
MHBG	Block Grants for Community Mental Health
MOE	Maintenance of Effort
SABG	Block Grants for Prevention and Treatment of Substance Abuse
SAMHSA	Substance Abuse and Mental Health Services Administration
SFY	State Fiscal Year
TANF	Temporary Assistance for Needy Families