



Reporting of Maintenance of Effort for Federal Grants

**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)**

**Health and Human Services
Commission**

April 2022



TEXAS
Health and Human
Services

Table of Contents

1. Background	1
Purpose.....	1
Maintenance of Effort	1
Current and Future MOE	2
Changes from Previous Report	2
2. Summary Table	3
3. By Fund Source.....	4
84.181 Special Education Grants for Infants & Families with Disabilities	4
93.043, 93.044, 93.045, 93.052 Aging Cluster Grants	6
93.558 Temporary Assistance for Needy Families	8
93.958 Block Grants for Community Mental Health	10
93.959 Block Grants for Prevention and Treatment of Substance Abuse	12
List of Acronyms	15

1. Background

Purpose

Pursuant to 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), 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 February 2022. 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 the Community Mental Health Services Block Grant (MHBG) and the Substance Abuse Prevention and Treatment Block Grant (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.

Changes from Previous Report

Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals (93.042) grant is omitted from MOE reporting going forward as HHSC has reviewed and confirmed with the federal awarding agency that the grant does not have a maintenance of effort requirement, but a minimum funding requirement. Minimum funding requirement is defined as the amount a state expends on its statewide Long-Term Care Ombudsman Program not less than an amount expended by the state agency with federal funds received under Titles III and VII for fiscal year 2019¹².

¹ 42 US Code Section 3027 (a)(9)(A)

² <https://omb.report/omb/0985-0009>

2. Summary Table

HHSC receives the following federal grant programs with an MOE requirement:

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
93.043 93.044 93.045 93.052	Aging Cluster Grants ³	2020	\$ 4,394,592	\$ 5,006,495	\$ 611,903
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	\$ 38,727,055	\$ 70,731

³ 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 (Individuals with Disabilities Education Act (IDEA) Part C, Early Childhood Intervention (ECI)) 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 February 2022, 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

Strategy	Method of Finance (MOF)	FY 2019	FY 2020	FY 2021	FY 2022
D.1.3. ECI Services	GR for ECI No. 8086	\$ 4,142,607	\$ 24,530,939	\$ 26,488,574	\$ 26,295,786
	GR Certified as Match for Medicaid No. 8032	\$ 20,440,546	\$ 16,091,554	\$ 13,179,325	\$ 14,466,759
	GR Match for Medicaid No. 0758	\$ 5,181,910	\$ 4,977,768	\$ 5,960,440	\$ 6,952,233
	Foundation School Funds (IAC) No. 8015	\$ 16,498,102	\$ 16,498,102	\$ 16,498,102	\$ 16,498,102
D.1.4. – ECI Respite & Quality Assurance	GR Match for Medicaid No. 0758	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Total Expenditures		\$ 46,813,164	\$ 62,648,363	\$ 62,676,441	\$ 64,762,881
Federal Fiscal Year MOE Requirement		\$ 44,770,400	\$ 49,011,639	\$ 46,813,164	\$ 62,648,363
<i>OVER/(Under) MOE</i>		<i>\$ 2,042,764</i>	<i>\$ 13,636,724</i>	<i>\$ 15,863,277</i>	<i>\$ 2,114,518</i>

93.043, 93.044, 93.045, 93.052 Aging Cluster Grants⁴

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 year 2017, 2018, and 2019. States must maintain average amount of state funds it spent under the plan for the three previous fiscal years⁵. 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 February 2022, HHSC has \$5,006,495 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 \$5,006,495 in projected expenditures associated to the aging cluster grants' MOE for federal fiscal year 2021.

⁴ 93.043 – Disease Prevention and Health Promotions, 93.044 – Grants for Supportive Services, 93.045 – Nutrition Services, 93.052 – National Family Caregiver Program

⁵ 45 CFR Section 1321.49

MOE Table

Strategy	MOF	FY 2019	FY 2020	FY 2021	FY 2022
F.1.2. Non-Medicaid Services	GR Match for Federal Funds (OAA) No. 8004	\$ 880,791	\$ 880,791	\$ 880,791	\$ 880,791
I.2.1. Long-Term Care Intake & Access	General Revenue	\$ 3,548,211	\$ 4,125,704	\$ 4,125,704	\$ 4,125,704
Total Expenditures		\$ 4,429,002	\$ 5,006,495	\$ 5,006,495	\$ 5,006,495
Federal Fiscal Year MOE Requirement		\$ 4,429,002	\$ 4,394,592	\$ 4,394,592	\$ 4,394,592
<i>OVER/(Under) MOE</i>		\$ 0	\$ 611,903	\$ 611,903	\$ 611,903

93.558 Temporary Assistance for Needy Families

Current MOE

The current federal fiscal year 2020 MOE amount for Temporary Assistance for Needy Families (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 funds⁶. 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 February 2022, 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.

⁶ 42 US Code Section 609 (a)(7)

MOE Table

Strategy / Agency	MOF	FY 2019	FY 2020	FY 2021	FY 2022
E.1.1. TANF Grants	GR	\$ 35,653,527	\$ 38,405,624	\$ 35,040,153	\$ 35,040,153
Texas Education Agency	GR	\$ 349,681,944	\$ 339,179,192	\$ 325,879,048	\$ 325,879,048
Texas Workforce Commission	GR	\$ 8,829,352	\$ 8,829,352	\$ 8,829,352	\$ 8,829,352
Total Expenditures		\$ 394,164,823	\$ 386,414,168	\$ 369,748,553	\$ 369,748,553
Federal Fiscal Year MOE Requirement		\$ 353,643,427	\$ 386,414,168	\$ 369,748,553	\$ 369,748,553
<i>OVER/(Under) MOE</i>		\$ 40,521,396	\$ 0	\$ 0	\$ 0

93.958 Block Grants for Community Mental Health

Current MOE

The current federal fiscal year 2019 MOE amount for Block Grants for Community Mental Health (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 years⁷. 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 February 2022, 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 \$522,561,973 in actual expenditures associated to MHBG MOE for federal fiscal year 2020.

⁷ 42 US Code Section 300x-4 (b)

MOE Table

Strategy	MOF	FY 2019	FY 2020	FY 2021	FY 2022
D.2.1. Community Mental Health Services- Adults	GR	\$ 115,719,682	\$ 141,150,628	\$ 139,291,533	\$ 322,574,181
	GR for MHBG No. 8001	\$ 169,259,549	\$ 171,719,065	\$ 178,914,070	\$ 0
D.2.2. Community Mental Health Services- Children	GR	\$ 13,938,353	\$ 18,861,108	\$ 18,775,023	\$ 67,890,860
	GR for MHBG No. 8001	\$ 40,274,221	\$ 40,275,068	\$ 40,174,520	\$ 0
D.2.3. Community Mental Health Crisis Services	GR	\$ 82,497,176	\$ 71,393,986	\$ 80,892,807	\$ 112,169,237
	GR for MHBG No. 8001	\$ 76,173,669	\$ 78,700,601	\$ 78,563,147	\$ 0
D.2.5. Behavioral Health Waiver & Amendment	GR	\$ 4,384,671	\$ 5,772,038	\$ 5,798,026	\$ 7,563,626
D.2.6. Community Mental Health Grant Programs	GR	\$ 0	\$ 0	\$ 0	\$ 72,500,000

Strategy	MOF	FY 2019	FY 2020	FY 2021	FY 2022
Total Expenditures		\$ 497,016,690	\$ 522,561,973	\$ 537,090,257	\$ 577,379,034
Federal Fiscal Year MOE Requirement		\$ 466,383,910	\$ 493,871,187	\$ 509,789,331	\$ 529,826,115
<i>OVER/(Under) MOE</i>		<i>\$ 30,632,780</i>	<i>\$ 28,690,786</i>	<i>\$ 27,300,926</i>	<i>\$ 47,552,919</i>

93.959 Block Grants for Prevention and Treatment of Substance Abuse

Current MOE

The current federal fiscal year 2019 MOE amount for Block Grants for Prevention and Treatment of Substance Abuse (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 years⁸. 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 February 2022, HHSC has \$38,727,055 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 \$40,004,977. 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 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 February 2022, HHSC has \$12,489,564 in actual and projected expenditures associated to MOE for federal fiscal year 2020, and

⁸ 42 US Code Section 300x-30(a)

\$11,247,456 in projected expenditures associated to MOE for federal fiscal year 2021. HHSC has also applied for an MOE waiver for federal fiscal year 2021 due to the ongoing impact of COVID-19 on substance use provider spending.

MOE Table

Strategy / Agency	MOF	FY 2019	FY 2020	FY 2021	FY 2022
4.2.4. Substance Abuse Services	GR	\$ 0	\$ 0	\$ 0	\$ 49,230,029
	GR for SABG No. 8002	\$ 38,727,055	\$ 12,489,564	\$ 11,247,456	\$ 0
Total Expenditures		\$ 38,727,055	\$ 12,489,564	\$ 11,247,456	\$ 49,230,029
Federal Fiscal Year MOE Requirement		\$ 38,656,323	\$ 40,004,977	\$ 26,108,309	\$ 12,368,510
<i>OVER/(Under) MOE</i>		\$ 70,731	\$ (26,515,413)	\$ (14,860,854)	\$ 36,861,519

List of Acronyms

Acronym	Full Name
AFDC	Aid to Families with Dependent Children
COVID-19	Coronavirus Disease 2019
ECI	Early Childhood Intervention
FY	Fiscal Year
GR	General Revenue
IAC	Interagency Cooperation Contract
IDEA	Individuals with Disabilities Education Act
IDEA-C	Individuals with Disabilities Education Act, Part C
HHSC	Health and Human Services Commission
MHBG	Block Grants for Community Mental Health
MOE	Maintenance of Effort
MOF	Method of Finance
OAA	Older Americans Act
SABG	Block Grants for Prevention and Treatment of Substance Abuse
SAMHSA	Substance Abuse and Mental Health Services Administration
TANF	Temporary Assistance for Needy Families