



Reporting of Maintenance of Effort for Federal Grants

**As Required by
2024-25 General Appropriations
Act, House Bill 1, 88th Legislature,
Regular Session, 2023 (Article II
Special Provisions Related to All
Health and Human Services
Agencies, Section 24)**

**Health and Human Services
Commission**

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TEXAS
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1. Background

Purpose

Pursuant to the 2024-25 General Appropriations Act, House Bill 1, 88th Legislature, Regular Session, 2023 (Article II, Special Provisions Relating to All Health and Human Services Agencies, Section 24), the Texas 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:

- a) The current amount of the MOE requirement for the grant;
- b) The time period of which the current MOE requirement applies;
- c) Total expenditures made towards meeting the current MOE requirement;
- d) The time period for which current expenditures will impact future MOE requirements;
- e) Projections of future MOE requirements based on current spending; and
- f) 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 March 2025. 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.

Final and Estimated MOE

Final MOE amounts are labeled "Final" and contain only finalized expenditures. "Estimated" MOE amounts include expenditures and obligations. Once obligations are expended and all expenditures have been finalized, the MOE year becomes "Final".

2. Summary Table

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

Assistance Listing	Description	Final MOE Year	Final MOE Requirement	Total Expenditures Final MOE	Total Expenditures Over/Under Final MOE Requirement
84.181	Special Education Grants for Infants and Toddlers (IDEA-C)	2022	\$ 62,648,363	\$ 62,648,723	\$ 360
93.043 93.044 93.045 93.052	Aging Cluster Grants ¹	2023	\$ 5,328,351	\$ 5,332,693	\$ 4,342
93.558	Temporary Assistance for Needy Families (TANF)	2022	\$ 371,897,046	\$ 371,897,046	\$ -
93.958	Block Grants for Community Mental Health (MHBG)	2022	\$ 536,098,063	\$ 542,802,762	\$ 6,704,699
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SABG)	2021	\$ 26,108,307	\$ 12,018,943	(\$ 14,089,364)

¹ 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

Final MOE

The final federal fiscal year 2022 MOE amount for Special Education Grants for Infants & Families with Disabilities (IDEA Part C, ECI) is \$62,648,363. 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 2022 MOE amount between July 1, 2021 and September 30, 2022.

HHSC expects to meet the federal fiscal year 2022 MOE requirements for IDEA Part C. As of March 2025, HHSC has \$62,648,723 in finalized expenditures associated to the IDEA Part C MOE for state fiscal year 2022. These expenditures will be used to calculate the federal fiscal year 2024 IDEA Part C MOE amount required between July 1, 2023 and September 30, 2024.

Estimated MOE

The estimated federal fiscal year 2023 MOE for IDEA Part C is \$62,676,441. This amount was based on HHSC's federal fiscal year 2021 MOE expended amount. State funding must be expended at or above the federal fiscal year 2023 MOE amount between July 1, 2022 and September 30, 2023.

HHSC expects to meet the federal fiscal year 2023 MOE requirements for IDEA Part C. HHSC has \$64,762,881 in projected expenditures associated with the IDEA Part C MOE for state fiscal year 2023.

The estimated federal fiscal year 2024 MOE for IDEA Part C is \$62,648,723. This amount was based on HHSC's federal fiscal year 2022 MOE expended amount. State funding must be expended at or above the federal fiscal year 2024 MOE amount between July 1, 2023 and September 30, 2024.

HHSC expects to meet the federal fiscal year 2024 MOE requirements for IDEA Part C. HHSC has \$92,913,517 in projected expenditures associated with the IDEA Part C MOE for state fiscal year 2024.

The estimated federal fiscal year 2025 MOE for IDEA Part C is \$64,762,881. This amount was based on HHSC's federal fiscal year 2023 MOE expended amount. State funding must be expended at or above the federal fiscal year 2025 MOE amount between July 1, 2024 and September 30, 2025.

HHSC expects to meet the federal fiscal year 2025 MOE requirements for IDEA Part C. HHSC has \$96,816,832 in projected expenditures associated to the IDEA Part C MOE for state fiscal year 2025.

MOE Table

Strategy	MOF	FY 2021 Final	FY 2022 Final	FY 2023 Estimated	FY 2024 Estimated	FY 2025 Estimated
D.1.3. ECI Services	GR for ECI No. 8086	\$ 26,493,164	\$ 25,129,844	\$ 22,583,813	\$ 50,683,642	\$ 53,906,871
	GR Certified as Match for Medicaid No. 8032	\$ 5,960,440	\$ 5,501,866	\$ 6,698,941	\$ 7,838,051	\$ 6,345,261
	GR Match for Medicaid No. 0758	\$ 13,174,735	\$ 14,968,911	\$ 18,432,024	\$ 17,343,722	\$ 19,516,59
	Foundation School Funds (IAC) No. 8015	\$ 16,498,102	\$ 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	\$ 550,000
Total Expenditures		\$ 62,676,441	\$ 62,648,723	\$ 64,762,881	\$ 92,913,517	\$ 96,816,832
Federal Fiscal Year MOE Requirement		\$ 46,813,164	\$ 62,648,363	\$ 62,676,441	\$ 62,648,723	\$ 64,762,881
Over/Under MOE		\$ 15,863,277	\$ 360	\$ 2,086,440	\$ 30,264,794	\$ 32,053,951

93.042, 93.044, 93.045, 93.052 LTC Ombudsman and Aging Cluster Grants²

Final MOE

The final federal fiscal year 2023 MOE amount for the aging cluster grants is \$5,328,351 and the final federal fiscal year 2023 MOE amount for the long-term care (LTC) ombudsman grants is \$8,060,154. States must maintain the minimum match for the federal fiscal year or the average of the three prior years of reported MOE, whichever is greater.³ This MOE amount equals the certified expenditures for match for federal fiscal year 2023. State funding must be expended at or above the federal fiscal year 2023 MOE amount between October 1, 2022 and September 30, 2023.

HHSC expects to meet the federal fiscal year 2023 MOE requirements for the aging cluster and LTC ombudsman grants. As of September 2024, HHSC has \$5,332,693 in finalized expenditures for the aging cluster grants and \$8,060,154 in actual expenditures for the LTC ombudsman associated to MOE for federal fiscal year 2023.

Estimated MOE

The estimated federal fiscal year 2024 MOE for the aging cluster grants is \$5,328,351. The estimated federal fiscal year 2024 MOE for the LTC ombudsman grants is \$8,060,154. The aging cluster grants amount is calculated by averaging the amounts HHSC expended for federal fiscal years 2021, 2022, and 2023. State funding must be expended at or above the federal fiscal year 2024 MOE amount between October 1, 2023 and September 30, 2024.

HHSC expects to meet the federal fiscal year 2024 MOE requirements for the aging cluster and LTC ombudsman grants. HHSC has \$5,332,693 in projected expenditures associated to the aging cluster grants' MOE for federal fiscal year 2024 and \$8,060,154 for the LTC ombudsman grants.

²93.042 – Long Term Care Ombudsman Services for Older Individuals
93.044 – Grants for Supportive Services
93.045 – Nutrition Services
93.052 – National Family Caregiver Program

³ 45 CFR 1321.9(c)(2)(vi)

The estimated federal fiscal year 2025 MOE for the aging cluster grants is \$5,328,351. The estimated federal fiscal year 2025 MOE for the LTC ombudsman grants is \$8,060,154. The aging cluster grants amount is calculated by averaging the amounts HHSC expended for federal fiscal years 2021, 2022, and 2023. State funding must be expended at or above the federal fiscal year 2024 MOE amount between October 1, 2023 and September 30, 2024.

HHSC expects to meet the federal fiscal year 2025 MOE requirements for the aging cluster and LTC ombudsman grants. HHSC has \$5,332,693 in projected expenditures associated to the aging cluster grants' MOE for federal fiscal year 2025 and \$8,060,154 for the LTC ombudsman grants.

MOE Table

Strategy	MOF	FY 2021 Final	FY 2022 Final	FY 2023 Final	FY 2024 Estimated	FY 2025 Estimated
F.1.2. Non-Medicaid Services	GR Match for Federal Funds (OAA) No. 8004	\$ 3,856,924	\$ 3,999,759	\$ 4,345,884	\$ 4,345,884	\$ 4,345,884
I.2.1. Long-Term Care Intake & Access	General Revenue (LTC Ombudsman)	\$ 7,196,828	\$ 7,663,299	\$ 8,060,154	\$ 8,060,154	\$ 8,060,154
I.2.1. Long-Term Care Intake & Access	General Revenue	\$ 1,206,534	\$ 1,563,529	\$ 986,809	\$ 986,809	\$ 986,809
Total Aging Cluster Expenditures		\$ 5,063,459	\$ 5,563,288	\$ 5,332,693	\$ 5,332,693	\$ 5,332,693
Federal Fiscal Year Aging Cluster MOE Requirement		\$ 4,762,197	\$ 4,782,161	\$ 5,328,351	\$ 5,328,351	\$ 5,328,351
Aging Cluster Over/Under MOE		\$ 301,262	\$ 781,127	\$ 4,342	\$ 4,342	\$ 4,342

Strategy	MOF	FY 2021 Final	FY 2022 Final	FY 2023 Final	FY 2024 Estimated	FY 2025 Estimated
Total LTC Ombudsman Expenditures		\$ 7,196,828	\$ 7,663,299	\$ 8,060,154	\$ 8,060,154	\$ 8,060,154
Federal Fiscal Year LTC Ombudsman MOE Requirement		\$ 7,196,8284	\$ 7,663,299	\$ 8,060,154	\$ 8,060,154	\$ 8,060,154
LTC Ombudsman Over/Under MOE		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

93.558 Temporary Assistance for Needy Families

Final MOE

The final federal fiscal year 2022 MOE amount for TANF is \$371,897,046. 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 Temporary Assistance for Needy Families. 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.⁴ The Federal match for Contingency Funds is based on the state's applicable FMAP for the fiscal year for which funds were awarded. State funding must be expended at or above the federal fiscal year 2022 MOE amount between October 1, 2021 and September 30, 2022.

HHSC met the federal fiscal year 2022 MOE requirements for TANF. As of March 2025, HHSC has \$371,897,046 in finalized expenditures associated to MOE for federal fiscal year 2022.

Estimated MOE

The estimated federal fiscal year 2023 MOE for TANF is \$385,040,505. This MOE amount calculation is based on federal fiscal year 1994 figures. State funding must be expended at or above the federal fiscal year 2023 MOE amount between October 1, 2022 and September 30, 2023.

HHSC expects to meet the federal fiscal year 2023 MOE requirements for TANF. HHSC has \$385,040,505 in projected expenditures associated to TANF MOE for federal fiscal year 2023.

The estimated federal fiscal year 2024 MOE for TANF is \$387,360,941. This MOE amount calculation is based on federal fiscal year 1994 figures. State funding must be expended at or above the federal fiscal year 2024 MOE amount between October 1, 2023 and September 30, 2024.

⁴ 42 US Code Section 609 (a)(7)

HHSC expects to meet the federal fiscal year 2024 MOE requirements for TANF. HHSC has \$387,360,941 in projected expenditures associated with TANF MOE for federal fiscal year 2024.

The estimated federal fiscal year 2025 MOE for TANF is \$388,775,477. This MOE amount calculation is based on federal fiscal year 1994 figures. State funding must be expended at or above the federal fiscal year 2025 MOE amount between October 1, 2024 and September 30, 2025.

HHSC expects to meet the federal fiscal year 2025 MOE requirements for TANF. HHSC has \$388,775,477 in projected expenditures associated with TANF MOE for federal fiscal year 2025.

MOE Table

Strategy / Agency	MOF	FY 2021 Final	FY 2022 Final	FY 2023 Estimated	FY 2024 Estimated	FY 2025 Estimated
E.1.1. TANF Grants	General Revenue	\$ 35,040,154	\$ 19,427,970	\$ 17,116,563	\$ 19,734,062	\$ 19,326,909
Texas Education Agency	General Revenue	\$ 325,879,048	\$ 343,639,724	\$ 359,094,590	\$ 358,797,527	\$ 360,619,216
Texas Workforce Commission	General Revenue	\$ 8,829,351	\$ 8,829,352	\$ 8,829,352	\$ 8,829,352	\$ 8,829,352
Total Expenditures		\$ 369,748,553	\$ 371,897,046	\$ 385,040,505	\$ 387,360,941	\$ 388,775,477
Federal Fiscal Year MOE Requirement		\$ 369,748,553	\$ 371,897,046	\$ 385,040,505	\$ 387,360,941	\$ 388,775,477
Over/Under MOE		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

93.958 Block Grants for Community Mental Health

Final MOE

The final federal fiscal year 2022 MOE amount for Block Grants for Community Mental Health (MHBG) is \$536,098,063. This requirement amount was calculated by averaging the MOE amounts for federal fiscal years 2020 and 2021. States must maintain spending at the average of the state funded amount provided annually during the previous two years⁵. State funding must be expended at or above the federal fiscal year 2022 MOE amount between October 1, 2021 and September 30, 2022.

HHSC met the federal fiscal year 2022 MOE requirements for MHBG. As of March 2025, HHSC has \$542,802,762 in finalized expenditures associated to MOE for federal fiscal year 2022.

Estimated MOE

The estimated federal fiscal year 2023 MOE for MHBG is \$546,178,416. This MOE amount was calculated by averaging the MOE amounts for federal fiscal years 2021 and 2022. State funding must be expended at or above the federal fiscal year 2022 MOE amount between October 1, 2022 and September 30, 2023.

HHSC expects to meet the federal fiscal year 2023 MOE requirements for MHBG. HHSC has \$555,594,769 in projected expenditures associated to MHBG MOE for federal fiscal year 2023.

The estimated federal fiscal year 2024 MOE for MHBG is \$549,198,766. This MOE amount was calculated by averaging the MOE amounts for federal fiscal years 2022 and 2023. State funding must be expended at or above the federal fiscal year 2024 MOE amount between October 1, 2023 and September 30, 2024.

HHSC expects to meet the federal fiscal year 2024 MOE requirements for MHBG. HHSC has \$623,114,391 in projected expenditures associated to MHBG MOE for federal fiscal year 2024.

The estimated federal fiscal year 2025 MOE for MHBG is \$589,354,580. This MOE amount was calculated by averaging the MOE amounts for federal fiscal years 2023

⁵ 42 US Code Section 300x-4 (b)

and 2024. State funding must be expended at or above the federal fiscal year 2025 MOE amount between October 1, 2024 and September 30, 2025.

HHSC expects to meet the federal fiscal year 2025 MOE requirements for MHBG. HHSC has \$690,619,367 in projected expenditures associated to MHBG MOE for federal fiscal year 2025.

MOE Table

Strategy	MOF	FY 2021 Final	FY 2022 Final	FY 2023 Estimated	FY 2024 Estimated	FY 2025 Estimated
D.2.1. Community Mental Health Services- Adults	General Revenue	\$ 136,619,978	\$ 309,450,207	\$ 307,717,393	\$ 321,580,259	\$ 334,915,601
	GR for MHBG No. 8001	\$ 170,926,049	\$ -	\$ -	\$ -	\$ -
D.2.2. Community Mental Health Services- Children	General Revenue	\$ 18,007,826	\$ 61,161,595	\$ 62,401,778	\$ 81,353,646	\$ 83,014,823
	GR for MHBG No. 8001	\$ 40,174,520	\$ -	\$ -	\$ -	\$ -
D.2.3. Community Mental Health Crisis Services	General Revenue	\$ 99,386,745	\$ 107,010,578	\$ 109,598,340	\$ 145,454,513	\$ 145,278,432
	GR for MHBG No. 8001	\$ 78,563,147	\$ -	\$ -	\$ -	\$ -
D.2.5. Behavioral Health Waiver & Amendment	General Revenue	\$ 5,875,805	\$ 5,825,531	\$ 5,443,283	\$ 6,434,811	\$ 7,291,595

Strategy	MOF	FY 2021 Final	FY 2022 Final	FY 2023 Estimated	FY 2024 Estimated	FY 2025 Estimated
D.2.6. Community Mental Health Grant Programs	General Revenue	\$ -	\$ 59,354,852	\$ 70,433,975	\$ 68,291,163	\$ 120,118,916
Total Expenditures		\$ 549,554,070	\$ 542,802,762	\$ 555,594,769	\$ 623,114,391	\$ 690,619,367
Federal Fiscal Year MOE Requirement		\$ 509,829,372	\$ 536,098,063	\$ 546,178,416	\$ 549,198,766	\$ 589,354,580
Over/Under MOE		\$ 39,724,698	\$ 6,704,699	\$ 9,416,353	\$ 73,915,625	\$ 101,264,787

93.959 Block Grants for Prevention and Treatment of Substance Abuse

Final MOE

The final federal fiscal year 2021 MOE amount for Block Grants for Prevention and Treatment of Substance Abuse (SABG) is \$26,108,307. This requirement amount was calculated by averaging HHSC's MOE expended amounts for federal fiscal years 2019 and 2020. States must maintain spending at the average of the state funded amount provided annually during the previous two years⁶. State funding must be expended at or above the federal fiscal year 2021 MOE amount between October 1, 2020 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 2021 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 but has yet to receive an MOE waiver from the Substance Abuse and Mental Health Services Administration (SAMHSA). As of March 2025, HHSC has \$12,018,943 in actual expenditures associated to MOE for federal fiscal year 2021.

Estimated MOE

The estimated federal fiscal year 2022 MOE for SABG is \$12,754,251. This MOE requirement amount is calculated by averaging HHSC's expended MOE amounts for federal fiscal years 2020 and 2021. State funding must be expended at or above the federal fiscal year 2022 MOE amount between October 1, 2021 and September 30, 2022.

HHSC expects to meet the federal fiscal year 2022 MOE requirements for SABG. HHSC has \$40,097,021 in projected expenditures associated to SABG MOE for federal fiscal year 2022.

⁶ 42 US Code Section 300x-30(a)

The estimated federal fiscal year 2023 MOE for SABG is estimated as \$26,057,982. This MOE requirement amount is calculated by averaging HHSC's expended MOE amounts for federal fiscal years 2021 and 2022. State funding must be expended at or above the federal fiscal year 2023 MOE amount between October 1, 2022 and September 30, 2023.

HHSC expects to meet the federal fiscal year 2023 MOE requirements for SABG. HHSC has \$39,905,072 in projected expenditures associated to SABG MOE for federal fiscal year 2023.

The estimated federal fiscal year 2024 MOE for SABG is estimated as \$40,001,047. This MOE requirement amount is calculated by averaging HHSC's expended MOE amounts for federal fiscal years 2022 and 2023. State funding must be expended at or above the federal fiscal year 2024 MOE amount between October 1, 2023 and September 30, 2024.

HHSC expects to meet the federal fiscal year 2024 MOE requirements for SABG. HHSC has \$40,013,589 in projected expenditures associated to SABG MOE for federal fiscal year 2024.

The estimated federal fiscal year 2025 MOE for SABG is estimated as \$39,959,331. This MOE requirement amount is calculated by averaging HHSC's expended MOE amounts for federal fiscal years 2023 and 2024. State funding must be expended at or above the federal fiscal year 2025 MOE amount between October 1, 2024 and September 30, 2025.

HHSC expects to meet the federal fiscal year 2025 MOE requirements for SABG. HHSC has \$47,172,582 in projected expenditures associated to SABG MOE for federal fiscal year 2025.

MOE Table

Strategy / Agency	MOF	FY 2021 Final	FY 2022 Estimated	FY 2023 Estimated	FY 2024 Estimated	FY 2025 Estimated
4.2.4. Substance Abuse Services	General Revenue	\$ -	\$ 40,097,021	\$ 39,905,072	\$ 40,013,589	\$ 47,172,582
	GR for SABG No. 8002	\$ 12,018,943	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 12,018,943	\$ 40,097,021	\$ 39,905,072	\$ 40,013,589	\$ 47,172,582
Federal Fiscal Year MOE Requirement		\$ 26,108,307	\$ 12,754,251	\$ 26,057,982	\$ 40,001,047	\$ 39,959,331
Over/Under MOE		\$ (14,089,364)	\$ 27,342,770	\$ 13,847,090,	\$ 12,543	\$ 7,213,251

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