



Ryan White Program Part B Maintenance of Effort (MOE) Fact Sheet

Ryan White Treatment and Modernization Act Section 2617(4) (E): The application submitted...shall contain an assurance by the state that the state will maintain HIV-related activities at a level that is equal to not less than the level of such expenditures by the state for the 1-year period preceding the fiscal year for which the state is applying to receive a grant under this part.

The objectives of the maintenance of effort (MOE) requirement are:

- To ensure federal Ryan White Program funds expand HIV-related services and do not supplant state contributions to HIV-related programs, and
- To prevent Part B funds from being used to offset specific HIV-related budget reductions at the state level.

MOE requires that all Part B grantees contribute at least the same amount of state funds for HIV-related activities as the previous fiscal year. For example, if State X contributes \$400,000 in FY2008, then the state must assure in its FY2009 application that *at least* \$400,000 will be contributed to HIV-related activities.

The elements that states may use to demonstrate MOE compliance are defined as HIV-related activities which have at a minimum, an identifiable line item in state budgets and expenditure reports from state agencies. All costs submitted for MOE are subject to audit for purposes of establishing compliance.

Examples of identifiable line items include:

- State appropriations to the AIDS Drug Assistance Program (ADAP);
- Rebate funds received from pharmaceutical companies for prescription drug purchases (rebate funds can only be utilized once in meeting either state match requirements OR maintenance of effort, but not for both);
- State Pharmacy Assistance Program (SPAP) funds;
- State-funded HIV prevention, HIV care and/or surveillance efforts;
- State-funded HIV-related salaries (DIS, ADAP, pharmacy, program staff, home care, etc.);
- State funds spent on health insurance for HIV positive individuals not served by the Ryan White Program;
- Department of Corrections funds for medical care to HIV positive inmates;
- ADAP delivery/courier fees; and,
- State share of Medicaid expenses for HIV positive individuals.

Cash and in-kind donations (see Definitions) may be used to establish compliance with MOE provided they meet applicable cost principles as outlined in the [OMB Circular A-87, Principles for State, Local, and Indian Government](#). Any non-cash contributions that a jurisdiction may provide to support HIV-related activities must be fairly valued and may include facilities, equipment, or services.

MOE Exclusions:

Donations, volunteer services, or non-recurring/short-term expenditures such as emergency or one-time-only commitments by the state are not allowable to meet MOE requirements.

For each Part B application, the state must provide the following:

- Signed assurance of intended compliance with MOE requirements;
- Description of “consistent” data set (see Definitions) providing year-to-year state HIV-related expenditures, including explanation of any significant changes to the data set and an illustration that overall expenditure levels have been maintained year-to-year for the previous two complete fiscal years;
- Description of the methodologies used to calculate and compile HIV-related expenditures from state-funded agencies; and
- MOE table and worksheet.

States may change the allocation of resources over time (e.g., reducing or eliminating funding towards one program or beginning while increasing funding for another program). However, significant changes in expenditures or line-items must be documented and explained in the grant application. Specifically, the reasons for any changes must be explained and the maintenance of a consistent year-to-year overall funding level of expenditures must be demonstrated.

Further Information:

For more information, including acceptable documentation examples and HAB's guidance on securing and reporting MOE data from grantee government agencies, please consult the Ryan White CARE Act Title II Manual (<http://hab.hrsa.gov/tools/title2/t2SecIIChap2.htm>), or contact NASTAD at (202) 434-8090.