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September 14, 2015

Dear Contracted Community Partner:

PROGRAM GUIDANCE 2015:04 – FEDERAL POLICY REGARDING SALARY LIMITATIONS

This letter is to provide notice regarding salary limitations required by the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). This federal law, or congressional mandate since 1990, limits the salary amount that may be awarded and charged to federal grants and cooperative agreements. Accordingly, federal funding awarded to and agency may not be used to pay the salary of an individual at a rate in excess of Executive Level II. This policy applies to all federal grants awarded to agencies by the Division of HIV and STD Programs (DHSP). Currently, these grants include Health Resources and Services Administration (HRSA) Ryan White Parts A, B, and MAI, and all Centers for Disease Control and Prevention supported grants for HIV prevention, HIV surveillance, STD Programs through Assessment, Assurance, Policy Development, and Prevention Strategies (AAPPS), and National Institutes of Health.

The Executive Level II salary of the Federal Executive Pay scale is \$183,300. This amount reflects an individual's base salary, exclusive of fringe benefits. This salary limit applies to personnel items and does not apply to consultants. Contracted agencies should continue to meet the test of necessity and reasonableness in allocating consultant payments. Below is an example of the application of the salary limitation:

If an individual's base salary is \$200,000 per year plus fringe benefits of 25%, and that individual is devoting 50% of his or her time to the Ryan White Program funded contract, then his or her base salary on the budgets to DHSP should be adjusted to \$183,300 plus fringe benefits of 25%.

Salary based on actual full-time salary of \$200,000 (without Executive Level II cap)

Direct Salary (50% FTE)	\$100,000
Fringe Benefits at 25%	\$25,000
Total Amount Requested	\$125,000

Salary that can be charged to DHSP (adjusted to Executive Level II cap of \$183,300)

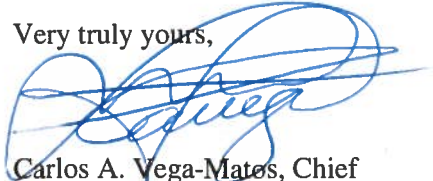
Direct Salary (50% FTE)	\$91,650.00
Fringe Benefits at 25%	\$22,912.50
Total Amount Requested	\$114,562.50

Salary requests in budgets submitted to DHSP must conform to this salary limitation. DHSP is in the process of reviewing contractors' budgets in light of this federal policy and will provide further notice to agencies if budget revisions are determined to be needed.

Program Guidance 2015:04
September 14, 2015
Page 2 of 2

If you have any questions or need additional information, please contact Dave Young, Chief of Financial Services at (213) 351-8111.

Very truly yours,



Carlos A. Vega-Matos, Chief
Contracted Community Services

MJP:mg:cvm

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c: Mario J. Pérez
Dave Young
Sophia Rumanes