



Grants Policy Bulletin 2019 Salary Cap Limitation Update

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Purpose

This Policy Bulletin provides information to Health Resources and Services Administration (HRSA) award applicants and recipients regarding the salary cap limitations imposed for calendar year 2019.

Background

The Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (Public Law 115-245), signed into law on September 28, 2018, restricts the amount of direct salary that may be paid to an individual under a Department of Health and Human Services (HHS) grant, cooperative agreement, or applicable contract to a rate no greater than Executive Level II of the Federal Executive Pay Scale. Effective January 2019, the [Executive Level II salary level is \\$192,300¹](#) (formerly \$189,600 in 2018).

According to P.L. 115-245, Sec. 202: "None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II."

Implementation

Awarded salary levels will be determined using information provided in the application.

HRSA's competing grants, cooperative agreements, applications, or contracts submitted by non-federal entities that request direct salaries for individuals in excess of the applicable rate of \$192,300 per year (or \$92.45 per hour for a full-time appointment of 2080 hours per year) will have their budgets adjusted in accordance with the legislative salary limitation. The non-federal entity will be notified of this adjustment, as it will affect the budget in current and future years. No funds will be awarded, committed, or disbursed in excess of the salary cap limitation.

¹ Consolidated Appropriations Act 2019 (Public Law 116-6), signed into law on February 15, 2019.

The salary cap limitation applies to all subawards and subcontracts in addition to direct award recipients.

An individual's institutional base salary is not constrained by the legislative provision for a limitation of salary. The rate limitation simply limits the amount that may be awarded and charged to HRSA awards. For individuals whose salary rates are in excess of Executive Level II, the non-federal entity may pay the excess from non-federal funds.

Resources

- [2019 Executive Level II - Salary Table](#)
- Consolidated Appropriations Act, 2019 <https://www.congress.gov/bill/116th-congress/house-bill/648/text>
- Department of Defense and Labor, Health and Human Services, and Education Appropriations Act 2019 <https://www.congress.gov/bill/115th-congress/house-bill/6157/text>

Inquiries

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