



## REQUEST FOR APPLICATIONS

### **Graduate Medical Education Expansion Grants**

**2019 - 2020**

**BMS #20912**

**APPLICATION DEADLINE: 5:00 p.m. CDT, November 6, 2018**

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# GRADUATE MEDICAL EDUCATION EXPANSION GRANT PROGRAM

## 1 OVERVIEW OF FUNDING OPPORTUNITY

### 1.1 PROGRAM TITLE

Graduate Medical Education Expansion Grant Program ("GME Expansion Grants")

### 1.2 SYNOPSIS OF PROGRAM

This specific Request for Applications ("RFA") solicits applications from eligible Graduate Medical Education (GME) programs that have not previously received a GME Expansion Grants award and that intend to create new First-Year Residency Positions in the state by establishing or expanding a GME program.

Additional information is provided in Section 3, Eligibility Information.

### 1.3 PROGRAM AUTHORITY

The statutory authority for GME Expansion Grants is found in Texas Education Code, Graduate Medical Education Residency Expansion, Sections 58A.023, 58A.024, and 58A.0246, which directs THECB to award grant funding to enable GME programs to increase the number of First-Year Residency Positions.

### 1.4 POINT OF CONTACT

All inquiries and communications concerning this RFA should be directed **in writing** via email to:

Suzanne Pickens  
Senior Program Director  
Texas Higher Education Coordinating Board  
Email: [GME-Expansion@THECB.state.tx.us](mailto:GME-Expansion@THECB.state.tx.us)

No contact shall be made with other THECB personnel regarding this RFA. Failure to comply with this requirement may result in the disqualification of an Application.

## 2 AWARD SUMMARY

### 2.1 MAXIMUM NUMBER OF AWARDS ANTICIPATED AND MAXIMUM AWARD AMOUNT

**2.1.1 Award Per Residency Position.** Award amount is \$75,000 per year for each residency position awarded and filled in July 2019.

**2.1.2 Maximum Number of Awards.** The maximum number of residency position awards is contingent on the number of qualified residency positions projected to be filled during the Grant Period and the amount of appropriation available.

**2.1.3 Maximum Number Submissions.** An eligible Applicant may request awards for multiple qualified residency positions in one or more eligible programs. A sponsoring institution should submit one application that includes all eligible residency programs for which an award is being requested.

## **2.2 PAYMENT TERMS**

GME Expansion Grants are funded through state general appropriations. Awarded Applicant shall receive payments through the Texas Comptroller of Public Accounts. The THECB shall not disburse awarded funds until the NOGA has been fully executed.

Payments to Awarded Applicants are anticipated to begin in May-June 2019. The THECB will disburse funding upon verification that the awarded residency positions have been filled for the academic year commencing July 2019. The payment amount for each awarded program will be determined by the actual number of awarded positions verified as filled.

The THECB is not bound by any award estimates in the RFA. Funding may be reduced or terminated if funds allocated to the THECB for the year of this program should become reduced, depleted, or unavailable during the Contract Term. As consistent with the Uniform Grant Management Standards (UGMS), after making a finding that an Awarded Applicant has failed to perform or failed to conform to Grant Conditions, the THECB may retract or reduce the Grant Amount for the Awarded Applicant.

Expenditures of GME Expansion Grants award funding shall not commence before July 1, 2019. Grant funds must be expended by June 30, 2020. Grantee institutions shall return any unexpended funds after the end of the Grant Term, at the time of submission of the Final Financial Report.

## **2.3 PRIORITY OF FUNDING ALLOCATION**

The funding available to support GME Expansion Grants during the Grant Period will be awarded based on the number of qualified residency positions projected to be created and filled for the GME academic year beginning in July 2019. Only eligible Applicants and GME programs as defined in Section 3.2 will be selected for awards.

In accordance with the Texas Health and Safety Code, Section 105.009, the Texas Department of State Health Services (DSHS) is required to conduct research identifying those specialties and subspecialties in the state that are at critical shortage levels, the overall supply of physicians in the state, and the ability of the state's graduate medical education system to meet the current and future health care needs of the state. In July, DSHS published its report summarizing results from primary care physician and psychiatrist supply and demand projections through 2030. The results indicate current physician shortages in primary care specialties and psychiatry throughout the state. Demand is expected to outpace supply, with the shortage severity expected to increase throughout the projection period. The greatest regional shortage for Primary Care Specialties is in the Rio Grande Valley; the greatest regional shortage for psychiatrists is in North Texas.

Texas Education Code, Section 58A.0245, requires the THECB to prioritize the awarding of new grants to medical specialties at critical shortage levels in the state, as indicated by results of the research conducted by DSHS and other relevant research.

The following priority criteria for Applicant selection will be applied in the order listed below:

1. Family Medicine Residency Programs: Expand an existing or establish a new Family Medicine Rural Training Track.

2. Psychiatry Residency Programs located in North Texas, as defined by Texas Public Health Regions 2 and 3: Expand an existing or establish a new program.
3. Primary Care Residency Programs located in the Rio Grande Valley, as defined by Texas Public Health Region 11: Expand an existing or establish a new program.
4. Primary Care or Psychiatry Residency Programs: Expand an existing or establish a new program in a rural area, which is defined as 50 percent or greater rural population as measured by the U. S. Census Bureau.
5. Primary Care or Psychiatry Programs: Expand an existing or establish a new program located in the state.
6. GME Programs: Expand an existing or establish a new program in a rural area, which is defined as 50 per cent or greater rural population as measured by the U. S. Census Bureau.
7. GME Programs: Expand an existing or establish a new program in a medical specialty and location not specified in criteria 1 through 6 above.

For additional information Refer to Section 8, Selection of Applicants for Awards.

## **2.4 GRANT PERIOD**

The Grant Period is from July 1, 2019 through June 30, 2020 (Grant Period).

## **2.5 APPLICATION TIMELINE**

The application process for this RFA is anticipated to proceed according to the published application timeline. The THECB reserves the right to revise this timeline or any portion of this RFA by publishing an addendum. A Calendar of Events for the entire Grant Period is in Appendix B.

### **Application Timeline**

| <b>Dates</b>      | <b>Application Steps</b>         |
|-------------------|----------------------------------|
| November 6, 2018  | Application Deadline             |
| December 19, 2018 | THECB Announces Grant Awards     |
| March 18, 2019    | Verification of Filled Positions |
| July 1, 2019      | Grant Period Begins              |

## **3 ELIGIBILITY INFORMATION**

### **3.1 ELIGIBLE APPLICANT**

An eligible Applicant is

- a. an eligible GME program, as defined in Section 3.2, or
- b. a sponsoring institution that has an eligible GME program, as defined in Section 3.2.
- c. a sponsoring institution that intends to create a new eligible GME program as defined in

## Section 3.2.

### 3.2 ELIGIBLE GME PROGRAM

An eligible GME program must meet the criteria in (a) through (d) below.

The program must:

- a. be an existing, new or planned, nationally-accredited post-doctor of medicine (M.D.) or post-doctor of osteopathic medicine (D.O.), non-military residency program;
- b. have, or intend to have, First-Year Residency Positions, as defined in Appendix A;
- c. intend to create new First-Year Positions through expansion of an existing program or establishment of a new GME program; and
- d. intend to fill its new First-Year Residency Positions in July 2019.

## 4 APPLICATION SUBMISSION

**APPLICATION DEADLINE: 5:00 p.m. CDT, November 6, 2018**

Each Application must be:

- Completed according to the guidelines in Section 10.
- Submitted on the Application Forms provided by THECB on the [GME Expansion Grants web page](#).
- Submitted by an authorized agent of the Applicant institution via email to [GME-Expansion@THECB.state.tx.us](mailto:GME-Expansion@THECB.state.tx.us) to the Point of Contact listed in Section 1.4.

**Late or incomplete Applications and Applications submitted to an address different from the specified GME Expansion email will not be accepted.  
No mailed, hand-delivered, or faxed Applications will be accepted.**

The THECB will email confirmation of Application receipt to Applicant within three state business days of receipt by the THECB. Applicant must consider an Application not received by the THECB until Applicant has received an email confirmation from the THECB.

If an Applicant does not receive such confirmation from the THECB, contact the Point of Contact listed in Section 1.4 immediately. Applicant will be required to provide proof of timely submission of the Application. The THECB shall not be responsible for Applications that are captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by THECB or Applicant anti-virus or other security software.

## 5 INQUIRIES

All inquiries shall be directed to the Point of Contact per RFA Section 1.4.

Applicants and prospective Applicants must not discuss an Application with any other THECB employee unless authorized by the Point of Contact. All responses by the THECB must be in writing to be binding.

Any information deemed by the THECB to be important and of general interest or which modifies requirements of the RFA shall be sent in the form of an addendum to the RFA to all Applicants that have submitted an Application. All Applicants must acknowledge receipt of all addenda, if any, to this RFA by an email to [GME-Expansion@THECB.state.tx.us](mailto:GME-Expansion@THECB.state.tx.us)



## 6 PROGRAM BACKGROUND

In 2013, the 83rd Texas Legislature appropriated \$12 million to support several efforts to increase the number of First-Year Residency Positions available in the state. The goal of the initiative is to achieve 10 percent more First-Year Residency Positions than Texas medical school graduates. In 2015, the 84th Texas Legislature streamlined the efforts into one GME Expansion Program to encompass the programs created separately in 2013. An appropriation of \$50 million was made to support the continuation and further increase in the number of First-Year Residency Positions. In 2017, the 85th Texas Legislature increased funding to \$97 million to continue support for the program in the 2018-2019 biennium.

From 2014 to 2018, the efforts to increase the number of First-Year Residency Positions have provided Texas medical students with a greater opportunity to remain in the state for their residency training. However, despite substantial progress, the establishment of three new medical schools that matriculated students beginning in 2016 and 2017, the THECB approval in August 2018 of a new medical school, and the pending THECB consideration of two additional medical degree programs, will require a further increase in the number of First-Year Residency Positions to maintain the 1.1 to 1 goal.

## 7 USE OF AWARD FUNDS

### 7.1 ALLOWABLE COSTS

**7.1.1** Funds awarded under GME Expansion Grants must be expended to support direct resident costs in the following Allowable Budget Categories:

- a. **Resident Compensation:** Salaries/stipends and benefits for residents participating in the awarded program
- b. **Professional Liability Insurance:** For residents participating in the awarded program
- c. **Other Direct Resident Costs,** as justified in the Application and approved by the THECB

**7.1.2** Other categories of expenditures, including Indirect Costs, are not allowed.

**7.1.3** Expenditures are not restricted to the actual residents who fill the positions that were the subject of the award. GME Expansion Grant funds may be expended on allowable direct resident costs for any of the residents participating in the GME program that receives the Grant, with the provision that the awarded positions remain filled during the Grant Period.

See Appendix D for additional detail on use of award funds.

### 7.2 PROHIBITED COSTS

Programs are prohibited from expending Grant funds on the following:

- Salaries/stipends and benefits payments for residents subsidized by the military, Public Health Service, or other federal agencies. Such residents should not be reported under Section 10.3 of this RFA.
- Salaries/stipends and benefits that are calculated at a higher pay rate than that which an individual (or similar position) normally receives at the sponsoring institution or participating site.
- Professional liability insurance for professional activities outside the participating residency

program.

### **7.3 FINAL AWARD BUDGET AND CHANGE REQUESTS**

**7.3.1 Final Award Budget.** Each GME program selected for a Grant award shall provide the THECB with a Final Award Budget detailing the uses of award funds in the Allowable Budget Categories during each year of the grant period. The budget must include only GME Expansion award funds.

**7.3.2 Budget Changes to the Other Direct Resident Costs Category.** Any increase in Other Direct Resident Costs requires prior approval from the THECB, followed by Grantee submission of a revised budget.

**7.3.3 Budget Changes to the Resident Compensation or Professional Liability Insurance Categories.** Expenditures greater than approved amounts in Resident Compensation or Professional Liability Insurance are allowable, provided that all expenditures are within allowable cost categories and that overall expenditures do not exceed total grant award. For any increase greater than \$25,000 in these budget categories, Grantee must submit a revised budget to the THECB.

### **7.4 LAST DAY OF EXPENDITURES**

GME Expansion Grants award funding must be expended by June 30, 2020.

### **7.5 RETURN OF UNEXPENDED FUNDS**

Grantee institutions shall return any unexpended funds after the end of the Grant Term, at the time of submission of the Final Financial Report.

## **8 SELECTION FOR FUNDING**

### **8.1 APPLICATION SCREENING**

The THECB staff shall review Applications to determine if they adhere to the Grant program requirements and the funding priorities contained in the RFA. An Application must meet the requirements of the RFA and be submitted with proper authorization before or on the day specified by the THECB to qualify for further consideration. It is anticipated that Board staff will notify Applicants eliminated through the screening process within 30 days of the submission deadline.

### **8.2 SELECTION OF APPLICANTS FOR AWARDS**

**8.2.1** The THECB staff shall evaluate Applications, which must demonstrate that the eligible GME Program will establish new First-Year Residency Positions and fill them in July 2019. Funding priorities for eligible Applications are set forth in Section 2.2.

**8.2.2** As part of the Applicant selection process, the THECB staff will consider the geographic distribution of GME programs proposed in qualified Applications. Depending on the number of qualified Applications submitted, THECB may limit the number of Grants awarded to an individual Applicant.

**8.2.2** Initial Applicant Awards are contingent on Applicant's subsequent verification to the THECB that the awarded residency positions have been filled. See Sections 8.4 and 8.5.

### **8.3 RECOMMENDATION FOR FUNDING**

The THECB staff shall make a recommendation of selected Applicants to be funded to the Commissioner. The Commissioner shall make the final funding decision and submit it to the THECB Board members for their final approval as consistent with Texas Administrative Code Rule 1.16.

### **8.4 VERIFICATION OF FILLED AWARDED POSITIONS IS REQUIRED**

To qualify for disbursement of awarded funds, Awarded Applicant must submit verification to the THECB that the awarded residency positions have been filled. THECB staff will communicate with Awarded Applicant in spring 2019 as to the documents required to complete the verification process.

The THECB anticipates that Applicants will submit such verification during March – May 2019, after the National Residency Matching Program results are released. Positions not filled during the Match or Post-match process, may be filled outside the match. The THECB will accept verification for positions filled outside the Match if received by the THECB on or before June 3, 2019.

### **8.5 FAILURE TO FILL AWARDED POSITIONS**

If an Applicant selected for an Award fails to verify to the THECB staff that the awarded residency positions have been filled, Applicant shall forfeit the award for any unverified positions.

### **8.6 FINAL AWARD BUDGET IS REQUIRED**

A Final Award Budget must be submitted to and approved by the THECB, which will provide instructions and a template for the submission.

## **9 APPLICANT RESPONSIBILITIES**

Applicant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations (including the THECB rules relating to the GME Expansion Program as codified in Title 19, Part 1, Subchapter 6, of the Texas Administrative Code and the orders and decrees of any court or administrative bodies or tribunals in any matter affecting the performance of the Contract, including, if applicable, workers compensation laws, compensation statutes and regulations, and licensing laws and regulations. When requested to do so by the THECB, Applicant shall furnish the THECB with satisfactory proof of its compliance.

## **10 APPLICATION FORMAT AND CONTENT**

### **10.1 APPLICATION FORMAT**

Each Application must include completed Forms 1, 2, and 3, which are provided on the [GME Expansion Grants web page](#). Form 1 and Form 2 are interactive PDF format. Form 3 is a Microsoft Excel workbook with multiple tabs. Each tab must be completed.

#### **10.1.1 Form 1: Certification of the Application Information**

Provide one Certification Form per Applicant regardless of the number of eligible GME programs for which funding is being requested. The Application must be certified and

submitted by an individual who is legally authorized to submit the Application on behalf of the Applicant.

**10.1.2 Form 2: General Applicant Information**

Provide one Applicant Information Form per Applicant regardless of the number of eligible GME programs for which funding is being requested. Provide information on the Sponsoring Institution and a list of all GME programs and positions for which funding is being requested.

**10.1.3 Form 3: GME Program-specific Information**

A separate GME Program Information Form must be provided for each eligible GME program for which funding is being requested. Information to be provided is described under Section 10.2 through Section 10.5.

**10.1.4 Required Attachments**

Required attachments to the Application are described in Section 10.6.

**10.2 PROGRAM-SPECIFIC INFORMATION (FORM 3 – TAB A)**

Information to be provided generally includes Program Name/Location/Specialty/Length and information on Contacts and Accreditation.

**10.3 RESIDENCY POSITIONS DATA (FORM 3 – TAB B)**

**10.3.1** Application Form 3, Tab B must include by postgraduate year (PGY) the program information requested in (a) through (d) below:

- a. The number of total program positions approved by the national accreditor in each year 2013 through 2018;
- b. The number of total program positions expected to be approved by the national accreditor as of July 1, 2019;
- c. The number of total program positions filled as of July 1 in years 2013 through 2018
- d. The number of national accreditor-approved positions projected to be filled for July 2019 through June 2020;
- e. The number of First-Year Residency Positions for which Applicant is requesting funding for the GME academic year July 2019 through June 2020.

**10.3.2** Data qualifications.

When submitting information under Sections 10.3.1(a) and (b) above, if the accrediting body does not approve positions by PGY level, enter the total number of approved positions for the program.

When submitting information for filled residency positions under Section 10.3.1(b) and (c) above, include only those residents who participated, or are expected to participate, in the program, for at least six months starting July 1 of each GME academic year.

If the data submitted in this Application do not align with data submitted in the Coordinating Board Management Residents/Fellows Reports (CBM00R), the THECB may request justification of discrepancies, as it deems necessary.

## **10.4 APPLICATION BUDGET (FORM 3 – TAB C)**

The Application Budget must include anticipated expenditures of requested Grant funds in allowable cost categories over the one-year Grant Term. Allowable cost categories are defined in Section 7 of this RFA. Grants funds must be estimated as \$75,000 per requested residency position for the one-year Grant Term. The Application Budget must also include expenditures funded by other revenue sources.

## **10.5 FINANCIAL VIABILITY (FORM 3 – TAB D)**

### **10.5.1 Existing GME Program**

Provide a financial statement for the GME program's most recently ended fiscal year. Under revenue, include grant funding and all other sources of income that supported the program. Under expenditures, include all expenditures related to operation of the program, regardless of funding source. Use Form 3, Tab 3D of the Application template to submit the Financial Statement.

### **10.5.2 New GME Program**

Provide a projected financial statement for the 2019-2020 GME Academic Year, July 1 through June 30. The statement must include amounts and sources of all income and amounts and categories of all expense related to operation of the program. Use Form 3, Tab 3D of the Application template to submit the Projected Financial Statement.

### **10.5.3 Applicant and/or Sponsoring Institution**

#### **(THIS SECTION DOES NOT APPLY TO STATE AGENCIES)**

An audited financial statement for the Applicant's most recently ended fiscal year must be submitted with the Application. If the Applicant is not the sponsoring institution, an audited financial statement for the sponsoring institution's most recently ended fiscal year must also be submitted with the Application.

## **10.6 REQUIRED DOCUMENTATION ATTACHMENTS**

Applicants must provide information specified in Section 10.6.1 through Section 10.6.3 below as a separate attachment(s) to the Application.

**10.6.1 Existing Programs with Approved Unfilled Positions: Documentation of Current Program Accreditation.** Provide each program's most recent accreditation letter from the Accreditation Council for Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA).

**10.6.2 Expanding Existing Programs: Documentation of Request for and National Accreditor Approval of Additional Residency Positions.**

- (a) Provide evidence of Applicant's request to and approval from ACGME or AOA for the increase in number of program positions. If the request and approval are for a temporary increase, provide a plan, including timetable, for obtaining national accreditor approval for a permanent increase in number of program positions.
- (b) If a request for approval of program expansion has not been submitted to ACGME or

AOA at the time of this Application, Applicant must submit a draft of the letter of request that Applicant intends to submit to the accrediting body and specify the planned date of submission. Applicant must specify the expected date of national accreditor approval for the expansion.

To qualify for an Award, national accreditation for the expanded program must be in effect no later than July 1, 2019.

**10.6.3 New Programs.** Provide a plan, including a timetable, for establishing a new GME program and achieving accreditation from Applicant's accrediting body. Applicant must also provide documentation relating to an application in process for program accreditation by ACGME or AOA. To qualify for an Award, accreditation for the new program must be in effect no later than July 1, 2019.

## **11 ACCREDITATION NOTIFICATION AND REPORTING REQUIREMENTS**

### **11.1 CHANGE IN ACCREDITATION**

Awardee shall notify the THECB if, at any time during the grant term, the accrediting body for the awarded program revises the accreditation status to probationary or withdraws accreditation.

### **11.2 REPORTING REQUIREMENTS**

For each funded program, Awarded Applicant shall electronically submit the reports listed in Sections 11.3 – 11.4. Prior to report due dates, the THECB shall provide reporting instructions and, as appropriate, shall provide templates for reporting.

### **11.3 PROGRAM REPORTS**

On October 1, 2019, an Annual Program Report shall be submitted electronically to the THECB in a format specified by the THECB. The report will include, but may not be limited to, the information described in 11.3.1 and 11.3.2.

**11.3.1 Annual Roster of Residents.** The roster will generally include the following data for each resident funded by a GME Expansion Grant as of September 1: name, temporary and/or permanent physician license number issued by the Texas Medical Board, medical school, gender and race/ethnicity. The Annual Program Report must be certified by the Program Director, or other authorized representative of the Sponsoring Institution.

#### **11.3.2 The THECB CBM00R.**

Each awarded program, or its Sponsoring Institution, shall report medical resident data to the THECB by October 1, 2019 and October 1, 2020. The data shall be transmitted via the THECB Residents/Fellows Report CBM00R. Report data are used for several purposes, including allocation of funds trusted to the THECB.

Public Health Related Institutions and certain private institutions and organizations currently report medical resident data to the THECB each year. No change in this reporting process is required.

For private/independent entities not currently filing a CBM00R Report, the THECB will provide detailed submission instructions for the CBM00R.

#### **11.3.3 Final Roster of Residents**

At the discretion of the THECB, a Final Roster of Residents Report may be required in October 2020, after the end of the Grant Period.

#### **11.4 FINAL FINANCIAL REPORT**

No later than October 1, 2020, a Final Financial Report shall be submitted electronically to the THECB in a format specified by the THECB. The Final Financial Report must detail the actual expenditures for the Grant Term by purpose and amount. The report must also document the unexpended balance of GME Expansion Grants program funds as of June 30, 2020. The Final Financial Report must include a statement certifying expenditures and unexpended balance by the authorized representative of the Sponsoring Institution.

GME Expansion Grants award funding must be expended by June 30, 2020. Grantee institutions shall return any unexpended funds after the end of the Grant Term, at the time of submission of the Final Financial Report.

### **12 PROVISIONS AND ASSURANCES**

#### **12.1 COST OF APPLICATION PREPARATION**

All costs associated with the preparation and submission of an Application for this RFA are the responsibility of Applicant. These costs shall not be chargeable to the THECB by any successful or unsuccessful Applicant.

#### **12.2 APPLICATION DELIVERY AND LATE APPLICATIONS**

**12.2.1** Applications must be submitted by an authorized agent of the Applicant.

**12.2.2** Applications shall be considered to be "on time" if they are received on or before the date and time of established deadlines. Applicant shall be solely responsible for ensuring that Application is received by the THECB prior to the deadlines outlined in Section 4. The THECB shall not be responsible for failure of electrical or mechanical equipment, operator error, or inability of an electronic delivery agent to deliver an Application prior to the deadline. Failure to respond in a timely manner to this RFA shall result in Applicant losing the opportunity to receive a Grant under this program. A late Application, regardless of circumstances, shall not be evaluated or considered for award.

#### **12.3 CONFLICT OF INTEREST**

**12.3.1** Applicants must disclose any existing or potential conflicts of interest relative to the performance of the requirements of this RFA. Failure to disclose a conflict of interest may be cause for disqualification of an Application or termination of a Contract resulting from this RFA. If, following a review of this information, it is determined by the THECB that a conflict of interest exists, Applicants may be disqualified from further consideration.

**12.3.2** *HB 1295 – Disclosure of Interested Parties.* The THECB may not execute a contract/grant requiring approval of the Board Chair, Vice Chair, and Committee Chair until the Business Entity has presented a certificate disclosing interested parties. "Business Entity" is defined as an entity (other than a governmental entity or state agency) through which business is conducted, regardless of whether the entity is for-profit or nonprofit. [The Texas Ethics Commission \(TEC\) has built an online portal for vendors/grantees](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) ([https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)). Vendors/ Grantees will

need to create a username and password to complete the "Certificate of Interested Parties" form. After the form has been completed, please print and sign the Unsworn Declaration, before sending a final copy to the THECB at [contracts@theccb.state.tx.us](mailto:contracts@theccb.state.tx.us).

## **12.4 CONTRACT**

**12.4.1** Submission of an Application confers no rights of Applicant to an award or to a subsequent Contract, if there is one. The issuance of this RFA does not guarantee that a Contract will ever be awarded. The THECB reserves the right to amend the terms and provisions of the RFA, negotiate with Applicant, add, delete, or modify the Contract and/or the terms of Application submitted, extend the deadline for submission of Application, or withdraw the RFA entirely for any reason solely at the THECB's discretion. An individual Application may be rejected if it fails to meet any requirement of this RFA. The THECB may seek clarification and additional documentation from Applicant at any time, and failure to respond within a reasonable timeframe is cause for rejection of an Application.

**12.4.2** Upon execution of a Contract resulting from this RFA, the term 'Applicant' shall have the same meaning as 'Awarded Applicant' or 'Grantee.' Likewise, the terms 'Request for Applications' and 'Application' shall have the same meaning as the term 'Contract' or 'Agreement.'

**12.4.3** The THECB shall not execute the THECB's GME Expansion Grants Notice of Grant Award (NOGA) until verification of filled positions, as described in Section 8.4, is deemed complete by the THECB staff. In addition, a Final Award Budget approved by the THECB staff must be on file with the THECB. (See Appendix E for a sample NOGA.)

## **12.5 ASSIGNMENT OR SUBCONTRACTING**

No rights, interest, or obligations in a Contract resulting from this RFA shall be assigned, delegated, or subcontracted by Awarded Applicant without prior written permission of the THECB Point of Contact. Any attempted assignment, delegation, or subcontract by Awarded Applicant shall be wholly void and totally ineffective for all purposes unless made in conformity with this Paragraph. No delegation, assignment, or subcontract shall relieve Awarded Applicant of any responsibility under this RFA. Such an assignment, delegation, or subcontract may represent a breach of the award or the subsequent contract. Such an assignment, delegation, or subcontract does not remove ultimate responsibility and liability from the Awarded Applicant.

## **12.6 GRANT EXTENSION**

Grant Extensions are not allowed under this RFA.

## **12.7 PROPRIETARY INFORMATION**

During the performance of a project implemented under a Contract resulting from this RFA, Awarded Applicant may have access to data, information, files, and/or materials (collectively referred to as "data"), which are the property of the THECB. These data shall be handled in a method that concurs with the Family Educational Rights and Privacy Act (FERPA) regulations and guidelines.



Applicant agrees to comply with FERPA, 20 U.S.C. Section 1232g, and the implementing federal regulations, 34 CFR Part 99. Applicant agrees (1) to protect any confidential student information it receives or accesses that could make a student's identity traceable, and (2) any confidential data analysis or report shall not be disclosed to any third party without the THECB's prior written consent.

Awarded Applicant shall have a system in effect to protect all data received or maintained in connection with the activities of this RFA. Awarded Applicant agrees to use its best efforts to preserve the safety, security, and integrity of the data, and to ensure the privacy and confidentiality of all data. Any disclosure or transfer of proprietary information by Awarded Applicant shall be in accordance with applicable federal or Texas law.

## **12.8 RELEASE OF INFORMATION BY AWARDED APPLICANT**

**12.8.1 FERPA.** Awarded Applicant shall NOT release any data that is not FERPA compliant. Failure to follow the guidelines established may result in immediate termination of the Contract.

**12.8.2 Prior Notification.** Publication, including presentations, is encouraged; however, Awarded Applicant agrees to notify the THECB prior to the publication of any information, including results, findings or reports, regarding the activities being conducted under any Contract/Grant resulting from this RFA. Awarded Applicant shall ensure the following statements are included in any published work:

*This work was supported in whole or in part by a grant from the Texas Higher Education Coordinating Board (THECB). The opinions and conclusions expressed in this document are those of the author(s) and do not necessarily represent the opinions or policy of the THECB.*

**12.8.2.1** Potential Publication in News Media of any type. Should Awarded Applicant be contacted by any news media about any information, including results, findings, or reports regarding activities being conducted under any Contract/Grant resulting from this RFA, Awarded Applicant shall notify its THECB Point of Contact, when possible, before communicating with news media. When not possible, Awarded Applicant shall notify its THECB Point of Contact immediately after concluding the communication with the news media.

**12.8.2.2** Should Awarded Applicant desire to contact any news media about any information, including results, findings, or reports regarding activities being conducted under any Contract/Grant resulting from this RFA, Awarded Applicant shall notify its THECB Point of Contact before communicating with news media.

**12.8.3** Any written publication shall be sent electronically to the THECB Point of Contact.

## **12.9 RELEASE OF APPLICATION INFORMATION BY THECB**

**12.9.1 Public Information Act.** Awarded Applicant understands and acknowledges that as a Texas state agency, the THECB is subject to the provisions of the Texas Public Information Act, Government Code, Chapter 552, as interpreted by judicial opinions and the opinion of the Attorney General of the state of Texas. Awarded Applicant will cooperate with the THECB in the production of documents responsive to any such requests under the Public Information Act. **Awarded Applicant is required to make any information created or exchanged with the state pursuant to this Agreement, and not otherwise excepted from disclosure**

**under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state.** The THECB will make a determination whether to submit a Public Information Act request to the Attorney General. This RFA, Awarded Applicant's Application, any Grant awarded to the Applicant, and all data and other information generated or otherwise obtained in its performance may be subject to the Texas Public Information Act. To the extent Grantee is subject to the Public Information Act, Grantee will notify the THECB's General Counsel within 24 hours of receipt of any third party requests for information it receives relating to this Agreement.

**12.9.2** All submitted Applications become the property of the THECB after the RFA submittal deadline date. Upon acceptance of the Contract, all information submitted with Applicant's Application becomes public record and all information submitted with Awarded Applicant's Application becomes part of the Contract. Therefore, such information is subject to disclosure under the Texas Public Information Act, unless an exception under the Texas Public Information Act is applicable.

**12.9.3** Any proprietary information included in Applicant's Application shall be subject to disclosure unless such proprietary information was clearly identified by Applicant, and such identification was submitted concurrently with the original submission of the proprietary information. Such identification of proprietary information shall be clearly marked in the Application at each page it appears. Such markings shall be in **boldface** type at least **14 point font**. Additionally, Applicant shall state the specific reason(s) an exception from the Texas Public Information Act is being claimed concurrently with the original submission of the proprietary information.

**12.9.4** If Awarded Applicant fails to clearly identify proprietary information with the original submission of the proprietary information, then those Sections will be deemed non-proprietary and made available upon public request after the Contract is awarded. The production of any material under the Contract shall not have the effect of violating or causing the THECB to violate any law, including the Texas Public Information Act.

## **12.10 AMENDMENT AND TERMINATION**

**12.10.1** *Amendment.* Any amendment or change to the Grant which becomes necessary shall be accomplished by a formal Contract amendment signed and approved by duly authorized representatives of Awarded Applicant and the THECB. None of the parties to the Contract will be bound by any oral statements, agreements, or representations contrary to the written Contract requirements and terms and conditions.

**12.10.2** *THECB Right to Terminate for Cause.* As consistent with applicable law, the THECB may terminate the Contract, in whole or in part, immediately upon notice to Awarded Applicant, or at such later date as the THECB may establish in such notice, upon the occurrence of any material breach, including, but not necessarily limited to, non-compliance with requirements and assurances outlined in the RFA or its Section 12 "Provisions and Assurances," failure to provide accurate, timely, and complete information as required by the THECB to evaluate the effectiveness of the program, or a failure to perform any of the work under the Contract to the THECB's satisfaction within the time specified herein or any extension thereof. Any instance of non-compliance shall constitute a material breach. The THECB may, in its sole discretion, provide Awarded Applicant with an opportunity for consultation with the THECB prior to termination. If Awarded Applicant fails or refuses to perform its obligations under the Contract, the THECB may exercise any and all rights as may be available to it by law or in equity.

**12.10.3 Interpretation.** As consistent with applicable law, the Contract may be terminated in the event that federal or state laws or other requirements or a judicial interpretation renders continued fulfillment of the Contract on the part of either party unreasonable or impossible. If the parties hereto should be unable to agree upon amendment which would thereafter be needed to enable the substantial continuation of the services contemplated herein, then, upon written notification by the THECB to Awarded Applicant, the parties shall be discharged from any further obligations created under the terms of the Contract, except for the equitable settlement of the respective accrued interests or obligations incurred up to the date of termination. The THECB reserves the right, at its sole discretion, to unilaterally amend the Contract throughout the Grant Period to incorporate any modifications necessary for the THECB's compliance, as an agency of the state of Texas, with all applicable state and federal laws, rules, regulations, requirements, and guidelines.

**12.10.4 Effect of Termination.** As consistent with applicable law, upon receipt of written notice to terminate, Awarded Applicant shall promptly discontinue all Services affected (unless the notice directs otherwise), refund partially or fully all Grant proceeds in accordance with written notice, and shall deliver or otherwise make available to the THECB, a summary of work products developed by Awarded Applicant under the Contract, whether completed or in process. Upon any termination, all indemnities, including without limitation those set forth in the Contract, as well as Contract provisions regarding confidentiality, records retention, right to audit, and dispute resolution, shall survive the termination of the Contract for any reason whatsoever and shall remain in full force and effect. The THECB shall be liable to Awarded Applicant for that portion of the Services authorized by the THECB and which have been completed prior to the effective date of termination, provided that the THECB shall not be liable for any work performed that is not acceptable to the THECB and/or does not meet Contract requirements.

**12.10.5** In the event of termination, the THECB reserves the right to negotiate a Contract based on another Applicant's submission if it is in the state's best interest.

## **12.11 NOTICE**

**12.11.1 Form of Notice.** All notices and other communications in connection with this Agreement shall be in writing.

**12.11.2 Method of Notice.** All notices must be given (i) by personal delivery, (ii) by an express courier (with confirmation), (iii) mailed by registered or certified mail (return receipt requested), (iv) facsimile, or (v) electronic mail to the parties at the address specified in this Agreement, or to the address that a party has notified to be that party's address for the purposes of this section.

**12.11.3 Receipt of Notice.** A notice in accordance with this Agreement will be effective upon receipt by the party to which it is given or, if mailed, upon the earlier of receipt and the fifth business day following mailing.

**12.11.4** The THECB shall not be responsible for notices that are captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by THECB or Grantee's anti-virus or other security software.

## **12.12 LIABILITY AND INDEMNIFICATION**

### **12.12.1 LIABILITY**

**12.12.1.1** Neither the THECB's review, approval, or acceptance of, nor payment for any of the services provided hereunder shall be construed to operate as a waiver of any rights under the Contract, or of any cause of action arising out of the performance of the work required by the Contract.

**12.12.1.2** The THECB shall have no liability except as specifically provided by law.

**12.12.1.3** *Sovereign Immunity.* The THECB and Awarded Applicant stipulate and agree that no provision of, or any part of the Contract between the THECB and Awarded Applicant, or any subsequent change order, amendment, or other Contract modification shall be construed: (1) as a waiver of the doctrine of sovereign immunity or immunity from suit as provided for in the Texas Constitution and the Laws of the State of Texas; (2) to extend liability to the THECB or Awarded Applicant beyond such liability provided for in the Texas Constitution and the Laws of the State of Texas; or (3) as a waiver of any immunity provided by the 11th Amendment or any other provision of the United States Constitution or any immunity recognized by the Courts and the laws of the United States.

### **12.12.2 INDEMNIFICATION**

#### **(THIS SECTION DOES NOT APPLY TO STATE AGENCIES)**

**12.12.2.1** *Acts or Omissions.* Grantee shall indemnify and hold harmless the State of Texas and THECB AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from, any acts or omissions of the Grantee or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in execution or performance of the Agreement. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND THE GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. GRANTEE AND THECB AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

#### **12.12.2.2** *Infringements.*

(a) Grantee shall indemnify and hold harmless the State of Texas, THECB AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF GRANTEE PURSUANT TO THIS AGREEMENT. GRANTEE AND THECB AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. GRANTEE SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

(b) Grantee shall have no liability under this section if the alleged infringement is caused in whole or in part by: (i) use of the product or service for a purpose or in a manner for which

the product or service was not designed, (ii) any modification made to the product without Grantee's written approval, (iii) any modifications made to the product by the Grantee pursuant to THECB's specific instructions, (iv) any intellectual property right owned by or licensed to THECB, or (v) any use of the product or service by THECB that is not in conformity with the terms of any applicable license agreement.

(c) If Grantee becomes aware of an actual or potential claim, or THECB provides Grantee with notice of an actual or potential claim, Grantee may (or in the case of an injunction against THECB, shall), at Grantee's sole option and expense: (i) procure for THECB the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that THECB's use is non-infringing.

**12.12.2.3 Taxes/ Workers' Compensation/Unemployment Insurance – Including Indemnity.**

(a) GRANTEE AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. THECB AND/OR THE STATE SHALL NOT BE LIABLE TO THE GRANTEE, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY.

(b) GRANTEE AGREES TO INDEMNIFY AND HOLD HARMLESS THECB, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS AGREEMENT. GRANTEE SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. GRANTEE AND THECB AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

**12.13 INSURANCE**

**(THIS SECTION DOES NOT APPLY TO STATE AGENCIES)**

Grantee agrees to maintain at its expense insurance as required for the work being performed under this Agreement. Such insurance will protect the THECB from all claims for bodily injury, death, or property damage which may arise out of or result from the performance of the Grantee's obligations under the Agreement. Grantee represents and warrants that it will, within five (5) business days of receiving the THECB's request, provide the THECB with current certificates of insurance or other proof acceptable to the THECB of the following insurance coverage:

Standard Workers Compensation Insurance in accordance with the following statutory limits covering all personnel who will provide work under this Agreement: Employers Liability: Each Accident \$1,000,000, Disease- Each Employee \$1,000,000, Disease-Policy Limit \$1,000,000.

Commercial General Liability:

Occurrence based: Bodily Injury and Property Damage, Each occurrence limit: \$1,000,000; Aggregate limit: \$2,000,000; Medical Expense each person: \$5,000; Personal Injury and Advertising Liability: \$1,000,000; Products /Completed Operations Aggregate Limit: \$2,000,000; Damage to Premises Rented to You: \$50,000.

Grantee represents and warrants that all of the above coverage is with companies licensed in the state of Texas with at least an "A" rating from A.M. Best Company, and authorized to provide the requisite coverage. Grantee also represents and warrants that all policies contain endorsements prohibiting cancellation except upon at least thirty (30) days prior written notice to the THECB. Grantee represents and warrants that it shall maintain the above insurance during the term of this Agreement. Grantee is not relieved of any liability or any other obligations assumed under this Agreement by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types.

#### **12.14 CONFLICTING RFA LANGUAGE**

In the event that language contained in a particular Section of the RFA is found to be in conflict with language in another Section, the most stringent requirement(s) shall prevail.

#### **12.15 INSPECTIONS/SITE VISITS**

Throughout the Grant Period, the THECB and/or its representatives shall have the right to make site visits to review the Awarded Applicant's medical residency program operations and accomplishments.

#### **12.16 AUDIT AND ACCESS TO RECORDS**

**12.16.1** Awarded Applicant acknowledges that acceptance of funds under the Contract acts as acceptance of the authority of (1) the Texas State Auditor's Office, or any successor agency, (2) the Texas State Auditor's Office or any successor agency, under the direction of the Texas Legislative Audit Committee, (3) THECB's Internal Auditor, and (4) any external auditors selected by THECB, the State Auditor's Office, or by the United States (collectively referred to as "Audit Entities"), to conduct an audit or investigation in connection with those funds. Awarded Applicant further agrees to cooperate fully with Audit Entities in the conduct of the audit or investigation, including providing all records requested. Awarded Applicant shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Awarded Applicant and the requirement to cooperate is included in any subcontract the Awarded Applicant awards.

**12.16.2** Awarded Applicant shall maintain its records and accounts in a manner which shall assure a full accounting for all funds received and expended by Awarded Applicant in connection with the Contract. These records and accounts (which includes all receipts of expenses incurred by Awarded Applicant) shall be retained by Awarded Applicant and made available for inspecting, monitoring, programmatic or financial auditing, or evaluation by the THECB and by others authorized by law or regulation to do so for a period of not less than seven (7) years from the date of completion of the Contract, the date of the receipt by the THECB of Awarded Applicant's final claim for payment or final expenditure report, the date all related billing questions are resolved, or the date any related litigation issues are resolved, whichever is later. If an audit has been announced, the records shall be retained until such audit has been completed. Awarded Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all documents and other information related to the Contract. Awarded Applicant and any subcontractors shall provide any Audit

Entities with any information the entity deems relevant to any monitoring, investigation, evaluation, or audit.

**12.16.3** Each Grantee institution shall have a system established in writing to ensure that appropriate officials provide all necessary organizational reviews and approvals for the expenditure of funds and for monitoring project performance and adherence to Grant terms and conditions under the Contract.

**12.16.4** The THECB reserves the right to require the reimbursement of any over-payments determined as a result of any audit or inspection of records kept by Awarded Applicant on work performed under the Contract. Awarded Applicant shall reimburse the THECB within 30 calendar days of receipt of notice from the THECB of overpayment. Awarded Applicant's failure to comply with this "Audit and Access to Records" subsection shall constitute a material breach of the Contract.

### **12.17 ACCOUNTING SYSTEM**

Awarded Applicant shall have an accounting system that accounts for cost in accordance with generally accepted accounting principles. Awarded Applicant's accounting system must include an accurate and organized file/records system for accounting and financial purposes for providing backup materials for billings.

### **12.18 NON-APPROPRIATION OF FUNDS**

The Contract may be terminated if funds allocated to the THECB should become reduced, depleted, or unavailable during the Contract period, and to the extent that the THECB is unable to obtain additional funds for such purposes. The THECB shall negotiate efforts as first consideration and if such efforts fail, then the THECB shall immediately provide written notification to the Awarded Applicant of such fact and the Contract shall be deemed terminated upon receipt of the notification, and neither party shall have any further rights or obligations hereunder. Awarded Applicant shall not incur new obligations after the effective date of termination and shall cancel as many outstanding obligations as reasonably practicable. The THECB shall be liable for costs incurred up to the time of such termination. Under no circumstances shall this RFA or any provisions herein be construed to extend the duties, responsibilities, obligations, or liabilities of the State of Texas or THECB beyond the then existing biennium.

### **12.19 STATE FISCAL COMPLIANCE GUIDELINES**

The standard financial management conditions and uniform assurances set out in the RFA are applicable to all grants, cooperative agreements, contracts and other financial assistance arrangements executed between state agencies, local governments, and any other sub-recipient not specifically excluded by state or federal law. All applicable conditions and uniform assurances can be found at <https://comptroller.texas.gov/purchasing/grant-management/>.

### **12.20 APPLICABLE LAW AND VENUE**

The Contract and any incorporated documents shall be governed by and construed in accordance with the laws of the State of Texas. Unless otherwise required by statute, the exclusive venue of any suit brought concerning the Contract and any incorporated documents is fixed in any Court of competent jurisdiction in Travis County, Texas, and all payments under the Contract shall be due and payable in Travis County, Texas.

## **12.21 KEY PERSONNEL**

Awarded Applicant, in its reasonable discretion, reserves the right to substitute appropriate key personnel to accomplish its duties so long as the substituted personnel are equally qualified and skilled in the tasks necessary to meet program requirements and outcomes. Awarded Applicant shall notify the THECB Point of Contact after any change in Program Director has been approved by the residency program's accreditor.

## **12.22 ELIGIBILITY/AUTHORIZATION TO WORK IN THE UNITED STATES**

Awarded Applicant shall ensure that all personnel provided to perform work under the Contract possess proof of eligibility/authorization to work in the United States in compliance with the Immigration Reform and Control Act of 1986, the Immigration Act of 1990, and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. Awarded Applicant shall maintain written records on all personnel provided under the Contract and shall provide such records to the THECB upon request. Failure to maintain and provide records upon request shall represent a material breach of this Contract and the THECB shall have the right to terminate the Contract for cause. Awarded Applicant shall ensure this section is included in all subcontracts it is authorized by the THECB to enter.

## **12.23 SUPPLANTING PROHIBITION**

A Grant Award may not be used to replace federal, state, or local funds.

## **12.24 CARRYOVER FUNDS**

At the THECB's discretion, unencumbered funds may carry over from each year of the Grant Period.

## **12.25 FORMS, ASSURANCES, AND REPORTS**

Awarded Applicant shall timely file with the proper authorities all forms, assurances and reports required by state laws and regulations. The THECB shall be responsible for reporting to the proper authorities any failure by Awarded Applicant to comply with the foregoing laws and regulations coming to the THECB's attention, and may deny reimbursements or recover payments made by the THECB to Awarded Applicant in the event of Awarded Applicant's failure to so comply.

## **12.26 AFFIRMATION CLAUSES**

Applicant has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, travel, favor, or service to a THECB public servant, including employees, in connection with the submitted response.

Neither Applicant nor the firm, corporation, partnership, entity, or institution represented by Applicant or anyone acting for such firm, corporation, partnership, entity, or institution has (1) violated the antitrust laws of the State of Texas under Texas Business & Commerce Code, Chapter 15, or the federal antitrust laws, or (2) communicated the contents of this Application either directly or indirectly to any competitor or any other person engaged in the same line of business during the procurement process for this RFA.



The THECB is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it via cross-referencing Applicants with the [Federal General Services Administration's System for Award Management](#) (SAM, [www.sam.gov](http://www.sam.gov)), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list. Applicant is not so prohibited from entering into this contract. Moreover, Applicant further certifies that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Applicant is in compliance with the State of Texas statutes and rules relating to procurement and that Applicant is not listed on the federal government's terrorism watch list as described in Executive Order 13224. (Entities ineligible for federal procurement are listed at [www.sam.gov](http://www.sam.gov).)

### **12.27 FORCE MAJEURE**

The THECB may grant relief from performance of this Contract if Awarded Applicant is prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the Awarded Applicant. The burden of proof for the need of such relief shall rest upon the Awarded Applicant. Awarded Applicant shall notify THECB in writing if it believes that a force majeure may have occurred and THECB shall, in its sole discretion, determine if Force Majeure has occurred.

### **12.28 DISPUTE RESOLUTION**

If the THECB determines that any work product is not acceptable, the THECB shall notify Awarded Applicant of the specific deficiencies in writing. Awarded Applicant shall then undertake all steps necessary to correct any deficiencies at no additional cost to the THECB. In the event any issues cannot be resolved, the dispute resolution process provided for in Texas Government Code, Chapter 2260, shall be used by the THECB and Awarded Applicant to attempt to resolve any claim for breach of Awarded Applicant.

### **12.29 SEVERABILITY AND STRICT PERFORMANCE**

The invalidity, illegality, or unenforceability of any provisions of the Contract shall in no way affect the validity, legality, or enforceability of any other provisions.

Each and every right granted to the THECB and Awarded Applicant hereunder or under any other document delivered hereunder or in connection herewith, or allowed them by law or equity, shall be cumulative and may be exercised from time to time. Failure by the THECB or Awarded Applicant at any time to require strict performance of any contractual provision or obligation contained herein shall not constitute a waiver or diminish the rights of either party thereafter to demand strict compliance. The THECB's review, approval, acceptance of, or payment for any of the services provided in the Contract shall not be construed to operate as a waiver of any of its rights under the Contract, or of any cause of action arising out of the performance of the services required by the Contract.

## Appendix A: RFA DEFINITIONS

The following definitions shall apply:

1. **Applicant** – An eligible Texas graduate medical education program, or sponsoring institution as defined in Section 3.0 of this RFA, submitting an Application in accordance with the terms and conditions of this RFA.
2. **Application** – The final document submitted by an Applicant to the THECB in response to and in accordance with the terms of this RFA.
3. **Awarded Applicant** – The successful recipient ultimately awarded a Grant by the THECB who is responsible for performing all activities required to fully comply with Grant performance requirements and all Grant terms and conditions.
4. **First-Year Residency Position** – A position filled by a physician who is entering into residency training for the first time. These positions are also referred to as entry level positions and do not require any prior years of GME training.
5. **Graduate Medical Education Program (GME)** – A nationally-accredited post-medical degree (M.D.) or post-doctor of osteopathic medicine (D.O.) program that prepares physicians for the independent practice of medicine in a specific specialty area, also referred to as residency training. Accreditation is provided by the Accreditation Council for Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA).
6. **Graduate-Year Level** – A resident's current year of accredited graduate medical education. This designation may or may not correspond to the resident's year in a particular program. Graduate-Year Level is also referred to as Postgraduate Year, or PGY.
7. **NOGA** – Notice of Grant Award – Term applied to the official document used by the THECB to notify grantees that funding has been approved. NOGAs include such information as award amount, project and budget periods, and specific award terms and conditions. The NOGA creates a legally binding agreement between the parties and incorporates the RFA and the Application into the agreement. Throughout this RFA the terms "NOGA", "Contract", and "Grant" are used interchangeably.
8. **PGY** – Postgraduate Year – See **Graduate-Year Level**.
9. **Primary Care** – The medical specialties including family practice, general internal medicine, general pediatrics, and obstetrics and gynecology, as set forth in Texas Education Code 58.008

## **Appendix B: CALENDAR OF EVENTS**

|                         |   |
|-------------------------|---|
| September 24, 2018      | Request for Applications Published          |
| November 6, 2018        | Application Deadline                        |
| December 2018           | THECB Announces Grant Awards                |
| January – February 2019 | Submission of Final Award Budgets           |
| January 31, 2019        | GME Program Quota Change Deadline           |
| March 15, 2019          | NRMP Match Day                              |
| March 18, 2019          | Verification of Filled GME Positions Begins |
| May 1, 2019             | Execution of Grant Contracts Begins         |
| June 1, 2019            | Grant Payment Processing Begins             |
| July 1, 2019            | Grant Period Begins                         |
| October 1, 2019         | Required Resident Rosters Due to THECB      |
| June 30, 2020           | Grant Period Ends                           |
| June 30, 2020           | Last Day to Expend Grant Funds              |
| October 1, 2020         | Final Financial Report Due to THECB         |
| October 1, 2020         | Unexpended Grant Funds Due to THECB         |

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## Appendix C: GME PROGRAMS THAT ACCEPT PGY 1 PHYSICIANS

The table below lists graduate medical education (GME) programs by specialty and subspecialty. The information below also provides program length and indicates whether a program may accept PGY 1\* residents. Only residency programs that accept PGY 1 physicians are eligible to apply for a GME Expansion Grant. Refer to the Request for Applications, Section 3, Eligibility Information, for complete Applicant eligibility requirements.

| Specialty / Subspecialty             | Length of Program (Years) | Includes PGY 1 Positions | Comments  |
|--------------------------------------|---------------------------|--------------------------|---|
| Family medicine                      | 3                         | Yes                      |   |
| Internal medicine                    | 3                         | Yes                      |   |
| Neurological surgery                 | 7                         | Yes                      |   |
| Obstetrics and gynecology            | 4                         | Yes                      |   |
| Otolaryngology                       | 5                         | Yes                      |   |
| Pathology-anatomic and clinical      | 3 or 4                    | Yes                      |   |
| Pediatrics                           | 3                         | Yes                      |   |
| Plastic surgery - integrated         | 6                         | Yes                      |   |
| Psychiatry                           | 4                         | Yes                      |   |
| Surgery                              | 5                         | Yes                      |   |
| Vascular surgery - integrated        | 5                         | Yes                      |   |
| Thoracic surgery - integrated        | 6                         | Yes                      |   |
| Transitional year                    | 1                         | Yes                      |   |
| Internal Medicine/Pediatrics         | 4                         | Yes                      |   |
| Internal Medicine/Psychiatry         | 4                         | Yes                      |   |
| Anesthesiology                       | 3 or 4                    | Some                     | Only 4-year programs accept physicians with no prior years of GME training.   |
| Dermatology                          | 3 or 4                    | Some                     | Only 4-year programs accept physicians with no prior years of GME training.   |
| Emergency medicine                   | 3 or 4                    | Some                     | To qualify for a GME Expansion Grant, Applicant must substantiate that the program accepts physicians at the PGY 1 level. |
| Medical genetics and genomics        | 2 or 4                    | Some                     | Only 4-year programs accept PGY 1 physicians with no prior years of GME training.   |
| Neurology                            | 3 or 4                    | Some                     | Only 4-year programs accept PGY 1 physicians with no prior years of GME training.   |
| Orthopaedic surgery                  | 5                         | Some                     | To qualify for a GME Expansion Grant, Applicant must substantiate that the program accepts physicians at the PGY 1 level. |
| Physical medicine and rehabilitation | 3 or 4                    | Some                     | Only 4-year programs accept PGY 1 physicians with no prior years of GME training.   |
| Preventive medicine                  | 1, 2, or 3                | Some                     | To qualify for a GME Expansion Grant, Applicant must substantiate that the program accepts physicians at the PGY 1 level. |

## Appendix D: USE OF AWARD FUNDS

Funds awarded under the GME Expansion Grant Program must be expended to support direct resident costs in Allowable Budget Categories.

### ALLOWABLE BUDGET CATEGORIES

#### Resident Compensation

- Intended to be the ***major proportion of the total award budget***, to the extent possible
- Salaries/stipends and benefits for residents participating in the awarded program

#### Professional Liability Insurance

- For residents participating in the awarded program

#### Other Direct Resident Costs

- Intended to be a ***minor proportion*** of the total award budget
- Educational and administrative support for residents participating in the awarded program
  - Compensation for faculty directly involved in resident education
  - Compensation for staff directly involved in administrative activities for the program
  - Educational and clinical supplies
  - Travel for residents to professional meetings

*(Recruiting expenses are NOT ALLOWED.)*

- Detail must be provided on the award budget submitted to THECB.

Expenditures of awarded funding are not restricted to the actual residents who fill the positions that were the subject of the award. GME Expansion Grant Program funds may be expended on allowable direct resident costs for any of the residents participating in the GME program that receives the Grant, with the provision that the awarded positions remain filled during the Grant Period.

### TIMING OF EXPENDITURES

- Expenditures of GME Expansion Grants award funding shall not commence before July 1, 2019.
- Grant funds must be expended by June 30, 2020.
- Grantee institutions shall return any unexpended funds after the end of the Grant Term, at the time of submission of the Final Financial Report.

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**Appendix E: SAMPLE NOTICE OF GRANT AWARD**

|  |  |  |  |
|--|--|--|--|
|   |  | <p align="right">THECB Award Number: {bmsReference}<br/>         Appropriation Year: {encumbrance AY}</p>  |  |
| <p><b>Notice of State Grant Award</b></p> <p>to</p> <p><b>{contracted_party}</b></p>   |  |  |  |
| <p>Grantee Name and Address:</p> <p><b>{contracted_party}</b><br/> <b>{contractedPartyAddress}</b><br/> <b>{contractedPartyCity}, {contractedPartyState}</b><br/> <b>{contractedPartyZip}</b></p>  |  | <p>Grant Title: <b>GME Expansion Grants</b></p>  |  |
|  |  | <p>Amount of Award: \$ <b>{total_\$}</b></p>   |  |
|  |  | <p>Division: <b>Academic Quality and Workforce</b></p>   |  |
|  |  | <p>Term of Grant: <b>July 1, 2019 – June 30, 2020</b></p>  |  |
|  |  | <p>Payment Method:</p> <p><b>Funds are payable subsequent to execution of the NOGA.</b></p> <p><b>Payment based upon the criteria described in the Request for Applications and verification that funded positions have been filled for July 2019.</b></p> <p>The advancement of funds is necessary to enable the Grantee to fully perform the Services described in its Applications.</p> |  |
| <p>Authority: <b>Texas Education Code, Chapter 58A, Programs Supporting Graduate Medical Education</b></p>   |  |  |  |
| <p>The Texas Higher Education Coordinating Board's ("THECB") and the Grantee's (collectively, referred to as "the parties") execution of this Notice of Grant Award creates a legally binding agreement between the parties. The Program requirements (e.g., objectives, scope, budget, methodology) as stated in (1) the original Request for Application ("RFA") including any addenda issued, (2) addenda to the Grantee's Application (if any), and (3) Grantee's Application are incorporated into and made a part of this Notice of Grant Award for all purposes, supersede any prior or contemporaneous understandings between the parties pertaining to the subject matter herein whether oral or written, and collectively constitute the entire agreement between the parties. In the event of a conflict in the language contained in the incorporated documents, conflicts shall be resolved by reference to the language contained in the documents in the order listed above.</p> <p>Any changes in the approved Grant must follow THECB's amendment process as defined in the RFA. Any funds received by Grantee and not expended prior to the end of the grant term indicated above shall be returned to THECB within thirty (30) days unless otherwise agreed by THECB and Grantee.</p> |  |  |  |
| <p><b>Approving THECB Official:</b></p>  |  | <p><b>Approving Grantee Official:</b></p>  |  |
| <p><b>{signContact}</b><br/> <b>{signContacttitle}</b></p>   |  | <p><b>{signed_by}</b><br/> <b>{signed_bytitle}</b></p>   |  |
| <p><b>Date:</b></p>  |  | <p><b>Date:</b></p>  |  |