

## **SUPPLEMENTAL MATERIALS**

### **AGENDA ITEM X-J (16)**

Consideration and possible action to adopt new Board Rules, Chapter 10, Subchapter D, Sections 10.90-10.98, concerning administration of the Rural Resident Physician Grant Program

RECOMMENDATION: Adoption

Background Information:

The Texas Higher Education Coordinating Board (Coordinating Board) proposes adoption of new rules in Title 19, Part 1, Chapter 10, Subchapter D, §§10.90, 10.92 - 10.94 and 10.96 - 10.98, concerning the administration of the Rural Resident Physician Grant Program established by House Bill 1065, 86th Texas Legislature. The Coordinating Board used negotiated rulemaking to develop these adopted rules.

Texas Education Code, Chapter 58A, Subchapter E, establishes the Rural Residency Physician Grant Program and authorizes the Coordinating Board to adopt rules for implementation. The rules outline the application and evaluation processes, reporting, and other requirements for eligible entities to receive funding under the grant program.

Rule 10.90, Purpose, establishes the purpose for the subchapter is to administer the Rural Resident Physician Grant Program which provides funding for the establishment or expansion of graduate medical education programs in rural Texas.

Rule 10.91, Authority, establishes authority for this subchapter is found in Texas Education Code, §58A.081, which grants the Coordinating Board with authority to adopt rules to administer the grant program.

Rule 10.92, Definitions, defines terms related to administration of the grant program.

Rule 10.93, Eligibility, establishes eligibility criteria to receive grant funding.

Rule 10.94, Application Process, describes main criteria that must be included in the grant application, including the number of residency positions created or maintained, budget, documentation on existing staffing and resources to support new residency positions, and evidence of support from the institution and community.

Rule 10.95, Evaluation of Applications, establishes selection criteria for awards.

Rule 10.96, Grant Awards, establishes how grant funding is awarded and defines allowable expenditures. Grantees may expend grant funds on resident physician salaries or other direct costs to create or maintain the residency position(s).

Rule 10.97, Reporting, establishes reporting requirements for grantees.

Rule 10.98, Additional Requirements, establishes criteria for returning unspent funds at the end of the grant term.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the adopted rules.

Section 10.90 is amended to remove the limitation of the grant program only applying to new graduate medical education programs, and language is amended to include “positions”, in addition to programs, in rural areas. These amendments are made to reflect the consensus of the negotiated rulemaking committee more accurately.

Section 10.92 is amended in the following ways:

The definition of (1) Rural has been changed to “A location that is eligible for Federal Office of Rural Health Policy grant programs.” This amendment is due to an error in the definition published during the proposal comment period and the new definition accurately reflects the decision of the negotiated rulemaking committee.

The definition of (2) Rural Training Tracks is amended to fix a typo.

Section 10.93 is amended to remove reference to the Accreditation Council for Graduate Medical Education (ACGME), and to clarify that the Coordinating Board will work with applicants to confirm eligible sites. The amendments also clarify that newly created resident physician sites are eligible.

Section 10.94 is amended to clarify that institutional support should be documented through the individual referenced in §10.94(b)(3).

Section 10.96 is amended based on stakeholder comment to award remaining funds to “other eligible applicants”. The amendment aligns the use of funds with statutory language.

Section 10.97 is amended to replace incorrect reporting requirements published in the proposed rules. The amended section streamlines reporting requirements and more accurately reflects the consensus of the negotiated rulemaking committee.

Section 10.98 is amended to include a requirement that after notification to the Coordinating Board of a vacated residency position, an awardee has sixty days to fill the vacated position. Additional non-substantive amendments were also made to section language for consistency and clarity.

The following comments were received regarding the adoption of the new rules.

Comment regarding §10.92(1), Rural, received from the Texas Academy of Family Physicians (TAFP): “The program’s enabling statute states that the THECB shall award competitive grants to ”encourage the creation of new graduate medical education positions in rural and nonmetropolitan areas, with particular emphasis on the creation of rural training tracks.” Moreover, the statute limits grant funding “until such time that a program becomes eligible for federal dollars. With these provisions in mind, we recommend aligning the definition of rural within the proposed rules with that used by the Center for Medicare and Medicaid Services (CMS) for purposes of rural training track federal funding. CMS defines rural as “any area outside an urban area,” with urban being any area defined by the Office of Management and Budget (OMB) as a Metropolitan Statistical Area or a Metropolitan division (in the case where a Metropolitan Statistical Area is divided into Metropolitan Divisions). By aligning definitions, it will be easier for grantees to pursue the federal funds necessary to sustain programs longer term.”

TAFP recommended adding “A non-metropolitan statistical area or non-metropolitan area as defined by the Office of Management and Budget” to the definition of “Rural.”

Response: An incorrect version of the definition for rural was published in the proposed rules and based upon the consensus of the negotiated rule making committee the definition has been amended.

Comment regarding 10.92(1), Rural, received from the Texas Hospital Association (THA): “In proposed 10 TAC §10.92(1), the definition of the term ”rural” is unclear and unnecessarily reliant on federal shortage designations that may limit the eligibility of many potential applicants. Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas and Populations (MUA/Ps) are federal designations assigned by the Health Resources and Services Administration (HRSA) to implement a specific set of federal programs. Such designations are not limited to rural areas and, in fact, portions of Texas’ largest cities have been designated as HPSAs and/or MUA/Ps. Moreover, these designations may be fleeting, as HRSA regularly updates the data on which designations are reliant and then may withdraw these designations. Finally, the Texas Primary Care Office at the Department of State Health Services, the office with responsibility for proposing new designations to HRSA, may not actively seek new HPSA or MUA/P designations, but rather rely on external requests to do so. This transient trait threatens rural residency program stability and sustainability under the proposed definition. Thus, THA suggests THECB adopt an alternate definition of rural that is longer-lasting and appropriate for the purposes of the program.”

Response: An incorrect version of the definition for rural was published in the proposed rules and based upon the consensus of the negotiated rule making committee the definition has been amended.

Comment regarding §10.92(1), Rural, and §10.93, Eligibility, received from the Texas Medical Association (TMA): “TMA has significant concerns about the proposed definition of “rural” in

proposed Section 10.92 and use of the term “non-metropolitan” in proposed Sections 10.92 and 10.93. While there are many definitions of rural in Texas law, the proposed definition of “rural” is novel, and is not expected to be readily understood. The references to Health Professional Shortage Area (HPSA) and Medically Underserved Area (MUA) designations in the definition of rural are unclear as to their purpose, origin, and application in administering the program. Further:

- 1) As the national accrediting body for residency programs, the Accreditation Council for Graduate Medical Education (ACGME) is not recognized as the source for defining either rural or non-metropolitan areas; HPSAs; or MUAs. At the time that an application for grant funding is submitted in response to the Board’s request for application (RFA), rural residency positions may not (yet) have been accredited by ACGME.
- 2) The federal definition of rural as established by the Executive Office of Management and Budget is a commonly recognized and consistent source. As an example, this definition is what has been used by the Texas Department of State Health Services for decades in identifying rural areas.
- 3) The federal government adopted HPSA and MUA designations to meet different purposes, and to qualify specific areas for certain federal and state benefit programs.

Primary care HPSAs are intended to identify geographic areas with a recognized shortage of primary care physicians. In contrast, MUAs do not identify physician shortage areas but more broadly identify degrees of “medical underservice” for geographic areas. The ratio of physicians to population is but one of four parts of the composite MUA score. Three of the four parts are focused on demographic and health status factors that were determined to be predictive of the need for medical services: percentage of elderly persons, poverty level, and infant mortality rate. MUA designations are not used to determine eligibility for programs intended to build the physician workforce, such as the National Health Service Corps or the Board’s State Physician Education Loan Repayment Program. Notably, HPSA and MUA designations are not considerations for Medicare GME funding for rural training tracks. For the definition of rural, it is critically important that positions created in Texas through the Rural Resident Physician Grant Program are able to qualify for Medicare GME funding by meeting the federal criteria for rural training tracks. It is therefore critically important that the state definition aligns with the federal definition of rural.”

TMA recommend addressing a typo in §10.92(2), adding a reference to the Executive Office of Management and Budget in place of the reference to the Accreditation Council for Graduation Medical Education in the definition of §10.92(1), and changing “physician site” to “training site” and removing reference to the Accreditation Council for Graduation Medical Education in §10.93.

Response: For §10.92(2), the typo has been corrected at adoption. For §10.92(1), an incorrect version of the definition for rural was published in the proposed rules and based upon the consensus of the negotiated rule making committee the definition has been amended. For §10.93, the Coordinating Board agrees with the recommended edit and has amended the rules upon adoption.

Comment regarding §10.93(b), Eligibility, received from the Texas Academy of Family Physicians (TAFP): TAFP recommended adding a reference to the definition of §10.92(1), “Rural,” in §10.93(b).

Response: Because rural is already defined in §10.92 for the purpose of these rules, an additional reference to the definition is not needed.

Comment regarding §10.94(a), Application Process, received from the Texas Academy of Family Physicians (TAFP): “TAFP respectfully objects to establishing a limit of two applications per grantee within the rules. Statutorily, there is no basis for this requirement, though the Academy recognizes that state appropriations for the grants will determine how many applications THECB ultimately funds during any given biennium. We recommend removing this provision and allowing programs to submit as many applications as they believe their programs can support, which will vary year-to-year. In so doing, this change also will help THECB quantify the level of community need, which will be useful in developing future legislative appropriation requests. As specified within §10.96, Grant Awards, THECB will retain discretion to limit awards within available funds.”

Response: Limiting a grantee to two applications allows the Coordinating Board to set the number of grants to be awarded each year, subject to available funds, and allows the Coordinating Board to more equitably distribute funds across programs and the state.

Comment regarding §10.94, Application Process, received from the Texas Medical Association (TMA): “TMA respectfully shares the following concerns and recommendations regarding subsections (a) and (c)(2) of proposed Section 10.94, relating to the application process.

First, TMA recommends that subsection (a) of proposed Section 10.94 be deleted, such that there is no cap on the number of applications that an eligible entity may submit. TMA strongly questions the arbitrary nature of setting any cap in rule and requests clarification on why the Board has proposed a limit of two applications.

Texas is a diverse state and each of the state’s 16 medical schools has a distinct mission. Not all medical schools will have an interest or the required expertise to sponsor residency training in a rural setting. It is expected that the medical schools with a particular mission to prepare physicians for practice in rural Texas will have a greater interest in the grant opportunities. This is indicated by a review of the history of rural training tracks in the state. Only a few Texas medical schools have sponsored rural training tracks, to date.

Currently, one public Texas medical school sponsors four (80%) of the state’s five rural training track programs. This is reflective of the heavy emphasis on training physicians for practice in rural Texas at that particular medical school. There are no indications that the mission of that school is likely to change and based on the history, it is reasonable to assume that school will continue to play a dominant role in sponsoring rural training tracks in the future. There is the potential for that school to have a greater need as well as greater resources for more than two rural residency positions per application cycle. The number of rural counties in Texas is not

expected to change in the near future and at this time, a preponderance of rural areas is concentrated within the rural service areas of a few medical schools.

An arbitrary cap could have the effect of limiting the most qualified residency program sponsors from fully participating in residency training. This would diminish the potential impact on rural physician shortage areas, the ability of those schools to meet their specific rural missions, and the ability of the grant program to successfully meet its objectives.

Should more applications than available funds be submitted, it is important that reasonable prioritization criteria are in place to allow for the selection of the most qualified applicants.

Next, TMA requests that the Board clarify the reference to “type of residency position” in subsection (c)(2) of proposed Section 10.94. Particularly, TMA asks that the Board distinguish whether this refers to the medical training discipline for the residency program, such as family medicine, or the postgraduate year of training.”

Response: For §10.94(a), limiting a grantee to two applications allows the Coordinating Board to set the number of grants to be awarded each year, subject to available funds, and allows the Coordinating Board to more equitably distribute funds across programs and the state. For §10.94(c)(2), The Coordinating Board thanks the organization for the comment and agrees to amend to provide clarity.

Comment regarding §10.94(a), Application Process, received from the Texas Hospital Association (THA): “The proposed 10 TAC C10.94(a) establishes a limit on the maximum number of applications an eligible entity can submit. While there may be value in ensuring that a diverse set of institutions receive grant funding, establishing such a limitation in rule unnecessarily limits THECB as it administers the program. Should, for example, there exist a dearth of eligible entities submitting qualifying applications in any given year, THECB would unnecessarily constrain the state’s rural residency program growth by prohibiting potential additional applications due to this arbitrary limitation. Rather, THA recommends that the finalized rules indicate the Request for Applications (RFA) will be the vehicle through which the agency will establish selection criteria among qualifying applications, and the RFA might subsequently indicate that no eligible institution should exceed a certain number of awards if there exist other qualifying applicants that have not received an award. (As an aside, the RFA abbreviation is used throughout this subchapter, but is not defined. THECB may wish to add the term to 10 TAC §10.92.).”

Response: Limiting a grantee to two applications allows the Coordinating Board to set the number of grants to be awarded each year, subject to available funds, and allows the Coordinating Board to more equitably distribute funds across programs and the state.

Comment regarding §10.94(c)(2), received from the Texas Hospital Association (THA): “In proposed rule 10 TAC §10.94(c)(2), there appears the term “type of residency position.” In its use, the referenced typology is unnamed, resulting in confusion around the intent of the rule. If “type of residency position” is meant to signify the medical specialty of the position, the rule should say so.”

Response: The Coordinating Board thanks the organization for the comment and agrees to amend to provide clarity.

Comment regarding §10.95(c), Evaluation, received from the Texas Academy of Family Physicians (TAFP): “TAFP respectfully objects to prioritizing funds for existing programs. House Bill 1 (2023), Rider 63, Article III, states that funds shall be used “to award grants for the creation of new (emphasis added) graduate medical education positions in rural and non-metropolitan areas...” While the statute authorizes funding for new or expanded locations, we believe the intent of the rider was to ensure funding for this biennium prioritized new programs, which will support geographically and culturally diverse training opportunities.”

Response: The Coordinating Board’s rulemaking authority is derived from the statute. The budgetary rider does not impart rulemaking authority.

Comment regarding §10.95(b), Evaluation, received from the Texas Medical Association (TMA): “Section 58A.081(b) of the Texas Education Code states: “The board shall establish criteria for the grant program in consultation with one or more physicians, including a physician who practices in a rural area of this state, teaching hospitals, medical schools, and independent physician residency programs, and with other persons considered appropriate by the board.” There is no mention of this section in the rules. Importantly, this process affords representation of the state’s leaders in rural residency training in the development of the grant program criteria.

TMA opposes the prioritization of existing rural residency programs or tracks in proposed Section 10.95(c) for several reasons.

First, Section 58A.081(a) of the Texas Education Code specifies that:

[T]he board shall administer the Rural Resident Physician Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions in rural and nonmetropolitan areas, with particular emphasis on the creation of rural training tracks. The board shall award grants to new or expanded physician residency programs at teaching hospitals and other appropriate health care entities according to the program criteria established under this section. (Emphasis added.) Notably, this statute does not prioritize existing rural residency programs or tracks over new rural residency programs or tracks.

Additionally, proposed Section 10.95(c) does not take into account that rural training tracks are most often a single residency position per year. It is the nature of these training programs to be exceedingly small, largely due to the limited size of the patient population and the corresponding ability of the residency program to meet the accreditation standards for the size and mix of the patient population as established by the ACGME. Of the five existing rural training track programs in place in Texas today, four programs (80%) have a single resident per year.

And further, the special CMS rules that enable rural/urban hospitals that co-sponsor rural training tracks to qualify for additions to their existing Medicare GME funding caps limit this

special provision to *new* rural training tracks. Once CMS sets the cap in Medicare GME funding under this special provision for rural training tracks, any addition of residency positions would generally be ineligible for Medicare GME funding.

For these reasons, it is not practical in many cases to expand existing programs beyond a single resident per year and placing a priority on expansions over new programs could prevent the latter from qualifying for Medicare GME payments.”

Response: The rules were developed through the negotiated rulemaking process. The negotiated rulemaking committee included the stakeholders set forth in §58A.081(b). The committee discussed and agreed on the approach set forth. The rules do not limit eligibility to expansion. New programs are eligible to apply and receive funding. If it is not practical for an existing program to expand, then there is additional grant funding available for new programs.

Comment regarding §10.96, Grant Awards, received from the Texas Medical Association (TMA): “Proposed Section 10.96(f) provides that the Board will award any grant funds returned pursuant to proposed Section 10.98 “equitably to current awardees.” TMA recommends that the Board instead establish a process for assessing the current grant funding needs of eligible applicants who previously applied for funding, as this would expand the pool of potential eligible recipients of the redistributed funds to include eligible applicants that potentially did not receive grant funding during the respective grant cycle. Rather than an “equitable” distribution, it is important for the recouped funds to be distributed based on current needs. Such process would be consistent with Section 58A.081(h) of the Texas Education Code, which requires the Board to “use money forfeited under Subsection (g) to award grants to other eligible applicants.””

TMA recommended replacing “equitably to current awardees” in 10.98(f) with “other eligible applicants for the respective RFA.”

Response: The Coordinating Board thanks the organization for the comment and agrees to amend.

Comment regarding 10.96, Grant Awards, received from the Texas Hospital Association (THA): “The word “equitably” is used in proposed rule 10 TAC 10.96(f), but its definition is similarly unclear. Equitably, here, could be read to mean that each current awardee would receive an equal share of any returned funds. Alternately, it might also indicate that the current awardees would receive a share of funds proportional to their original grant awards, or that THECB might rely on other factors in determining an equitable distribution. Once more, the agency should restate its actual intent in plain language.”

Response: The Coordinating Board thanks the organization for the comment and agrees to amend.

Comments regarding compliance with statute received from the Texas Hospital Association (THA): “Texas Education Code §58A.081(h) specifies that THECB “shall use money forfeited under [§58A.081(g)] to award grants to other eligible applicants [emphasis added].” However,

the proposed rule would direct these funds to “current awardees.” THA believes that statutory language indicates that forfeited funds should be awarded as grants – not supplemental funds – to eligible applicants who did not initially receive funding. This reading supports state both state and agency goals in that directing the money to current awardees does not serve to expand the number of rural residency programs in the state, nor does it ensure a diverse set of eligible applicants receive funding, as THECB presumably intends through the proposed limitation on applications addressed above. THA recommends that the proposed rule language is amended to align with statute, and that THECB award any forfeited funds to other eligible applicants who might then initiate an additional program.”

Response: The Coordinating Board thanks the organization for the comment and agrees to amend.

Comments regarding compliance with statute received from the Texas Hospital Association (THA): “Finally, THA would stress its interest in THECB faithfully implementing Texas Education Code §58A.081(b), which requires the agency to consult with teaching hospitals and independent physician residency programs when establishing criteria for the grant program through the RFA process. As noted in the second paragraph of this letter, THA and Texas hospitals are strong supporters of the agency’s many programs supporting the development of the health care workforce and shares THECB’s goals of ensuring all of Texas has access to high-quality care. We believe our members’ knowledge will only serve to maximize the impact of this important program.”

Response: The rules were developed through the negotiated rulemaking process. The negotiated rulemaking committee included the stakeholders set forth in §58A.081(b). The committee discussed and agreed on the approach set forth. The rules do not limit eligibility to expansion. New programs are eligible to apply and receive funding. If it is not practical for an existing program to expand, then there is additional grant funding available for new programs.

The new subchapter is adopted under Texas Education Code, Section 58A.081, which provides the Coordinating Board with the authority to administer the Rural Resident Physician Grant Program and adopt program.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, will present this item and be available to answer questions.

## CHAPTER 10. GRANT PROGRAMS

## SUBCHAPTER D. RURAL RESIDENT PHYSICIAN GRANT PROGRAM

§10.90. Purpose.

The purpose of this subchapter is to administer the Rural Resident Physician Grant Program to provide and oversee grants for the establishment or expansion of graduate medical education programs or positions in rural and non-metropolitan areas to help meet the health-care needs of rural communities in Texas.

§10.91. Authority.

The authority for this subchapter is found in Texas Education Code, chapter 58A, §58A.081.

§10.92. Definitions.

Definitions set forth in Texas Education Code, chapter 58A (relating to Programs Supporting Graduate Medical Education) are hereby incorporated into this rule. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Rural--A location that is eligible for Federal Office of Rural Health Policy grant programs.
- (2) Rural Training Tracks--As defined in rules and regulations of the Centers for Medicare and Medicaid Services (CMS) in 42 CFR §413.79(k), is an ACGME-accredited program in which all or some residents/fellows gain both urban and rural experience with more than half of the education and training for the applicable resident(s)/fellow(s) taking place in a rural area.

§10.93. Eligibility.

(a) To be eligible to apply for and receive grant funding an entity must:

- (1) be a new or expanded physician residency program at teaching hospitals and other appropriate health care entities;
- (2) meet any other eligibility criteria set forth in Texas Education Code, §58A.081; and
- (3) have or create a resident physician site in a rural or nonmetropolitan area.

(b) Eligible sites will be confirmed by Coordinating Board staff, in cooperation with the applicant.

§10.94. Application Process.

(a) Unless otherwise specified in the RFA, an eligible entity may submit a maximum of two (2) applications.

(b) To qualify for funding consideration, an eligible applicant must submit an application to the Coordinating Board. Each application shall:

- (1) be submitted electronically in a format specified in the RFA;
- (2) adhere to the grant program requirements contained in the RFA; and
- (3) be submitted with approval of the President or Chief Executive Officer or designee on or before the day and time specified by the RFA.

(c) Submitted applications shall include:

- (1) The number of residency positions that will be created or maintained if grant funds are awarded;

- (2) A budget that includes the requested grant amount broken down by resident, resident year, and residency specialty;
- (3) documentation that an applicant's existing staffing and infrastructure is sufficient to support new or maintained residency positions and satisfy applicable accreditation requirements;
- (4) detailed plans on how the new or maintained residency positions will produce physicians who are prepared for and plan to practice in rural areas;
- (5) Evidence of support for residency training by both the institution as documented by the designated institutional official as identified in subsection (b)(3) of this section and the community; and
- (6) any other requirements as set forth in the RFA.

#### §10.95. Evaluation.

- (a) The Coordinating Board shall competitively select applicants for funding based on requirements and award criteria provided in the RFA.
- (b) Award criteria will include whether the rural area has the resources to support a physician residency program that at minimum meets applicable residency program accreditation requirements.
- (c) The evaluation criteria will include priority for applications that propose creating rural training tracks or additional residency positions within an existing rural residency program or track.

#### §10.96. Grant Awards.

- (a) The amount of funding available for the rural resident physician grant program is dependent on the legislative appropriation for the program for each biennial state budget. The Coordinating Board will provide award levels and estimated number of awards in the RFA.
- (b) Each grant award shall be subject to Coordinating Board approval pursuant to §1.16 of this title (relating to Contracts, Including Grants, for Materials and/or Services).
- (c) The Commissioner of Higher Education may adjust the size of a grant award to best fulfill the purpose of the RFA.
- (d) The Coordinating Board may advance a grant award to a grantee.
- (e) The Coordinating Board will first award grants for all residency positions awarded a grant under this subchapter in the preceding year before awarding a grant for a residency position that did not receive a grant in the preceding year, provided that the applicable grant recipient from the preceding year meets eligibility requirements for a new grant award and complied with all grant and application requirements set forth in this subchapter and the terms of the grant previously awarded. The Coordinating Board shall award all remaining funds pursuant to the evaluation criteria set forth in §10.95 of this subchapter (relating to Evaluation).
- (f) The Coordinating Board will award any grant funds returned pursuant to §10.98 of this subchapter (relating to Additional Requirements) to other eligible applicants for the respective RFA.
- (g) A grantee shall only expend grant funds on the salary of the resident physician and other direct costs that are necessary and reasonable to create or maintain the residency position as stated in grantee's budget.

#### §10.97. Reporting Requirements.

Grantees must file program, expenditure and resident reports in the format required by the Coordinating Board by the deadlines set forth in the RFA. Grantees shall provide information that includes, but is not limited to, the following:

- (1) An overview of outcomes of residency positions and information on the characteristics of the program.
- (2) Evidence of whether the residency positions funded by the grant were filled.
- (3) Demonstration of addressing the needs of underserved rural communities or regions.
- (4) Any current plans to continue the rural residency position(s) or program after the end of the grant term.
- (5) An expenditures report detailing how funds were used over the course of the grant program pursuant to §10.96(h) of this subchapter (relating to Grant Awards).

§10.98. Additional Requirements.

(a) Cancellation or Suspension of Grant Solicitations. The Coordinating Board has the right to reject all applications and cancel a grant solicitation at any point.

(b) Forfeiture and Return of Funds.

(1) The grantee shall return any award funds remaining unspent at the end of the grant term as set forth in the RFA or Notice of Grant Award (NOGA) to the Coordinating Board within sixty (60) days.

(2) The grantee shall fill all funded residency positions no later than the first reporting deadline as set forth in the RFA. A grantee forfeits and must return, if grant funds were received, a proportionate share of the grant award for each unfilled residency position as determined by the Coordinating Board.

(3) A grantee shall notify the Coordinating Board within thirty (30) days of any funded residency positions becoming vacant.

(4) The grantee shall have sixty (60) days from notification to the Coordinating Board about the vacated position to refill the residency position.

(5) A grantee forfeits and shall return, if grant funds were received, a proportionate share of the grant award for each unfilled residency position as determined by the Coordinating Board.