TEXAS
Health and Human Services

Stephanie Muth, Executive Commissioner

Request for Applications (RFA)

Grant for

The Rural Texas Strong Program – Initiative 6 (Part 1): Infrastructure and Capital Investments for Rural Texas

RFA No. HHS0017220

APPLICATION SUBMISSION DEADLINE

June 1, 2026 by 10:30 a.m. Central Time

SECTION I. EXECUTIVE SUMMARY, DEFINITIONS, AND STATUTORY AUTHORITY

1.1 EXECUTIVE SUMMARY

The Texas Health and Human Services Commission (HHSC), the System Agency, is accepting Applications for the Rural Texas Strong Initiative 6 (Part 1): Infrastructure and Capital Investments for Rural Texas.

The purpose of this program is to strengthen and modernize rural healthcare delivery by awarding funding to eligible rural healthcare providers to invest in critical infrastructure, facility upgrades, and capital equipment that enhance access, quality, and sustainability of care in rural communities.

Of the $70,432,073.50 available for awards under this program, $20,000,000.00 will be prioritized funding for eligible intellectual and developmental disability (IDD) providers. The purpose of this prioritization is to ensure dedicated investment for IDD providers in rural areas.

Applicants should reference **Section II, Scope of Grant**, for further detailed information regarding the purpose, background, eligible activities and requirements.

Grant Name:	Rural Texas Strong Initiative 6: Infrastructure and Capital Investments for Rural Texas (Part 1)
RFA No.:	HHS0017220
Deadline for Applications:	June 1, 2026, by 10:30 a.m. Central Time
Deadline for Submitting Questions or Requests for Clarifications:	May 13, 2026, by 5:00 p.m.
Estimated Total Available Funding:	$70,432,073.50, of which $20,000,000 is for prioritization of IDD providers
Estimated Total Number of Awards:	Up to 75
Estimated Max Award Amount:	$2,000,000.00
Match Required, if any:	No match required
Anticipated Project Start Date:	No later than September 30, 2026
Length of Project Period:	Refer to **Section IV, Project Period**
Eligible Applicants:	See **Section 3.1, Eligible Applicants**

To be considered for screening, evaluation and award, Applicants must provide and submit all required information and documentation as set forth in **Section VIII, Application Organization and Submission Requirements,** and **Section XIII, Submission Checklist,** by the Deadline for Submission of Applications established in **Section 7.1, Schedule of**

Events, or subsequent Addenda. See **Section 9.2, Initial Compliance Screening for Applications,** for further details.

1.2 DEFINITIONS AND ACRONYMS

Unless a different definition is specified, or the context clearly indicates otherwise, the definitions and acronyms given to a term below apply whenever the term appears in this RFA. All other terms have their ordinary and common meanings. Refer to all exhibits to this RFA for additional definitions.

"Addendum" means a written clarification or revision to this RFA, including exhibits, forms, and attachments, as issued and posted by HHSC to the HHS Grants RFA website. Each Addendum will be posted and must be signed by the Applicant and returned with its Application. Reference to more than one Addendum will be referenced in this RFA as "Addenda."

"Applicant" means any person or legal entity that submits an Application in response to this RFA. The term includes the individual submitting the Application who is authorized to sign the Application on behalf of the Applicant and to bind the Applicant under any Grant Agreement that may result from the submission of the Application. May also be referred to in this RFA as "Respondent."

"Application" means all documents the Applicant submits in response to this RFA, including all required forms and exhibits. May also be referred to in this RFA as "Solicitation Response."

"Behavioral Health Providers" means organizations that provide mental health and/or substance use services, including Local Mental Health Authorities and Local Behavioral Health Authorities.

"Budget" means the financial plan for carrying out the Grant Project, as formalized in the Grant Agreement, including awarded funds and any required Match, submitted as part of the Application in response to this RFA. An Applicant's requested Budget may differ from the HHSC-approved Budget executed in the final Grant Agreement.

"Business Day" means, unless otherwise defined by applicable law or rule, any day except a Saturday, Sunday, or a national or state holiday as defined in Section 662.003 of the Texas Government Code.

"Categorical Budget" means the detailed financial schedule that breaks down proposed project costs into specific line-item categories—such as personnel, travel, supplies, and indirect costs—to define how grant funds will be spent and reimbursed.

"CFR" means the Code of Federal Regulations which is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government.

"Clinics" means facilities run by healthcare entities that provide outpatient medical, preventive, or primary care services.

"Deaf-Blind and Multiple Disabilities Program Providers" or "(DBMD)" means providers that provide home and community-based services to individuals with both hearing and visual impairments, plus an additional disabling condition.

"Direct Cost" means those costs that can be identified specifically with a particular final cost objective under the Grant Project responsive to this RFA or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or activity.

"Early Childhood Intervention Programs" or "ECI" means programs providing developmental services to infants and toddlers (birth to age 3) with developmental delays or disabilities.

"Equipment" pursuant to 2 CFR § 200.1, means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $10,000. See 2 CFR § 200.1 for Capital assets, Computing devices, General purpose equipment, Information technology systems, Special purpose equipment, and Supplies.

"Federally Qualified Health Center" means a federal designation for community-based outpatient clinics that provide comprehensive primary care, preventive services, and dental/mental health services, regardless of a patient's ability to pay.

"General Ledger" means a set of numbered accounts a business uses to keep track of financial transactions that may include assets, liabilities, equity, revenue, and expenses.

"Grant Agreement" means the agreement entered into by the System Agency and the Grantee as a result of this RFA, including the Signature Document and all attachments and amendments. May also be referred to in this RFA as "Contract."

"Grant Management System" or "GMS" means the external HHS Grants Portal used by Applicants to submit Applications for HHSC RFAs. The HHS Grants Portal is a comprehensive online platform that enables Applicants to seamlessly apply for grants, receive funding, and efficiently manage their grants, ensuring a streamlined and transparent process from application to funding management.

"Grantee" means the Party receiving funds under any Grant Agreement awarded under this RFA. May also be referred to as "Subrecipient" or "Contractor."

"HHS" includes both the Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS).

"HHSC" means the Health and Human Services Commission.

"Home and Community-based Services Providers" means entities delivering long-term services and supports in home or community settings to individuals with qualifying disabilities.

"Intellectual and Developmental Disability (IDD) Provider" means an organization or entity that delivers services, supports, or treatment to individuals with intellectual and developmental disabilities, as defined by the Texas Health and Safety Code Chapter 591, and that is authorized, certified, licensed, or contracted by the Texas Health and Human Services Commission or another applicable governing body to provide such services within the State of Texas.

"Indirect Cost" means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Indirect costs represent the expenses of doing business that are not readily identified with the Grant Project responsive to this RFA but are necessary for the general operation of the organization and the conduct of activities it performs.

"Indirect Cost Rate" is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the Grantee's indirect costs to a direct cost base.

"Intermediate Care Facilities" or "ICF" means residential facilities licensed to provide health and rehabilitative services to individuals with intellectual disabilities or related conditions.

"Local Intellectual and Developmental Disability Authority" or "LIDDA" means entities designated to coordinate and provide services for individuals with intellectual and developmental disabilities within a local service area.

"Opioid/Substance Abuse Disorder Programs" means programs that provide treatment, recovery, and/or support services for individuals with opioid or other substance use disorders.

"Performance Improvement Plan" or "PIP" is a formal documented action plan to remediate poor performance or lack of compliance with mandatory grant obligations.

"Pharmacy" means a facility that provides pharmacy services in accordance with state and federal laws, that is not directly affiliated with any chain, is not owned (or operated) by a publicly traded company, and is licensed by the Texas State Board of Pharmacy.

"Physician Clinic" means an independent medical clinic owned and operated by one or more physician(s).

"Project" or "Grant Project" means the specific work and activities that are supported by the funds provided under the Grant Agreement as a result of this RFA.

"Project Period" is the period of time set forth in the Grant Agreement during which Grantees may perform approved grant-funded activities to be eligible for reimbursement or payment. Unless otherwise specified, the Project Period begins on the Grant Agreement effective date and ends on the Grant Agreement termination or expiration date. May also be referred to in this RFA "Grant Term."

"Public Health Offices" means a governmental entity at the state, local, or tribal level that is responsible for protecting and improving the health of populations through the delivery of public health services, disease prevention, health promotion, and emergency preparedness activities.

"RFA" means this Request for Applications, including all parts, exhibits, forms, attachments and addenda. May also be referred to herein as "Solicitation."

"Rural Health Clinic" means a federal designation for a clinic designed to increase access to primary care services for Medicare and Medicaid beneficiaries in rural, underserved communities.

"Rural Hospital" is defined in Section 548.0351(6-b) of the Texas Government Code as "a health care facility licensed under Chapter 241, Health and Safety Code, that: (A) is located in a county with a population of 68,750 or less; or (B) has been designated by the Centers for Medicare and Medicaid Services as a critical access hospital, rural referral center, or sole community hospital and: (i) is not located in a metropolitan statistical area; or (ii) if the hospital has 100 or fewer beds, is located in a metropolitan statistical area."

"Spend Period" means each period of the Grant Term in which funds are allocated as defined in outlined in **Section 6.3, Proposed Budget.**

"State" means the State of Texas and its instrumentalities, including the System Agency and any other state agency, its officers, employees, or authorized agents.

"System Agency" means HHSC, DSHS, or both, that will be a party to any Grant Agreement resulting from the RFA.

"Texas Home Living Provider" or "TxHmL" means providers delivering community-based services and supports to individuals with intellectual and developmental disabilities under the TxHmL program.

"TxGMS" means the Texas Grant Management Standards published by the Texas Comptroller of Public Accounts.

1.3 STATUTORY AUTHORITY

Federal funding for this Grant Project is authorized under the One Big Beautiful Bill Act, as amended and codified in Public Law 119-21, Section 71401. All awards are subject to the availability of appropriated federal funds, and any modifications or additional requirements that may be imposed by law. Federal funding awarded to HHSC is through the program listed below:

Federal Grant Program:	Rural Health Transformation Program
Federal Awarding Agency:	Centers for Medicare and Medicaid Services (CMS)
Funding Opportunity No.:	CMS-RHT-26-001
Assistance Listing Number and Program Title:	93.798 Rural Health Transformation (RHT) Program

1.4 STANDARDS

Awards made as a result of this RFA are subject to all policies, terms, and conditions set forth in or included within this RFA as well as applicable statutes, requirements, and guidelines including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

SECTION II. SCOPE OF GRANT

2.1 PURPOSE

This funding opportunity supports the Rural Texas Strong Initiative 6 (Part 1): Infrastructure and Capital Investments for Rural Texas. The purpose of this program is to strengthen and modernize rural healthcare delivery by awarding funding to eligible rural healthcare providers to invest in critical infrastructure, facility upgrades, and capital equipment that enhance access, quality, and sustainability of care in rural communities.

2.2 PROGRAM BACKGROUND

Rural healthcare facilities across Texas face significant challenges related to aging infrastructure, deferred maintenance, and limited access to capital, which can hinder safe operations, reduce efficiency, and constrain the delivery of essential health services. Many rural providers lack the financial resources to make necessary facility improvements, resulting in increased operational risk and barriers to sustaining care in rural communities. To address these needs, this program supports targeted capital improvements through the renovation and rehabilitation of existing facilities and equipment purchases to strengthen the physical environment of care.

The Rural Texas Strong Initiative 6 (Part 1): Infrastructure and Capital Investments for Rural Texas is part of Texas' Rural Health Transformation Program, Rural Texas Strong, and is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (USDHHS) as part of a financial assistance award to the State of Texas with 100 percent of funding provided by CMS/USDHHS. The contents are those of the author(s) and do not represent the official views of, nor an endorsement by CMS/USDHHS, or the U.S. Government.

2.3 ELIGIBLE ACTIVITIES

This grant program shall fund activities and costs as allowed by the laws, regulations, rules, and guidance governing fund use identified in the relevant sections of this RFA. Only grant-funded activities authorized under this RFA are eligible for reimbursement and payment under any Grant Agreement awarded as a result of this RFA.

All Applicant proposed projects and activities must directly support and enhance the delivery of healthcare services in rural communities. Eligible activities include:

1. Medical Equipment, which consists of:
    a. The purchase or replacement of essential medical equipment (e.g., lab equipment,
    b. ultrasound or mammography equipment, stretchers, wheelchairs, patient beds, telemetry units, nurse call systems, generators, defibrillators, crash carts, medication dispensing units, sleep labs, vital sign monitors, oxygen tanks);
    c. Capital investments in specialty service equipment (e.g., obstetrics, behavioral health, rehabilitation); or
    d. Equipment necessary to meet regulatory or accreditation requirements;

2. Facility Renovation, which consists of:
    a. Renovation or modernization of existing facilities to improve safety, compliance, in-person or telehealth care delivery, or renewal or expansion of services (e.g., alteration, repair, or modernization of an existing structure that improves functionality, safety, accessibility, or condition without increasing the building's footprint or constructing new square footage); or
    b. Code compliance upgrades (e.g., ADA accessibility, life safety, fire suppression systems);

3. Infrastructure to Expand Access to Care, which consists of:
    a. Development or enhancement of mobile health units;
    b. Infrastructure to support new or expanded service lines (e.g., primary care, behavioral health, maternal health);
    c. Physical space modifications to co-locate or integrate services (e.g., spaces for telehealth); or

d. Transportation-related infrastructure tied to healthcare access;

4. Emergency Preparedness and Facility Resilience, which consists of:
   a. Backup power systems (e.g., generators);
   b. Infrastructure improvements to ensure continuity of operations during disasters; or
   c. Climate and weather resilience upgrades (e.g., HVAC, flood mitigation); and

5. Workforce-Related Infrastructure, which consists of:
   a. Renovation of training spaces (e.g., simulation labs, classrooms);
   b. Renovation of on-site housing or accommodations tied to recruitment and retention of healthcare workforce; or
   c. Infrastructure supporting residency, clinical rotations, or workforce pipeline programs.

See **Section 5.3, Grant Funding Prohibitions & Limitations** for a detailed description of prohibitions and limitations applicable to grant-funded activities.

2.4 PROGRAM REQUIREMENTS

Grantee's activities must be completed no later than **September 30, 2028**.

All Grant Projects funded under this RFA shall meet the following program requirements.

2.4.1 Minor Renovation Activities

A. Grantee shall comply with the Americans with Disabilities Act (ADA) to accommodate those individuals served at the facility who have physical limitations from a disability.

B. Grantee acknowledges that real property, equipment, and intangible property acquired or improved with the federal award are subject to 2 CFR § 200.316.

C. Grantee shall record appropriate notices of record, to include Notice of Federal Interest, to indicate that personal or real property has been acquired or improved with federal funds, if requested by HHSC.

D. Grantee acknowledges that real property and equipment acquired or improved with federal funds is subject to 2 CFR § 200.310 (relating to insurance coverage).

E. Grantee acknowledges that HHSC will have the right to visit the project and view the work in progress at any time. No actions taken or statements made by HHSC during site visits will relieve Grantee of obligations described in this Grant Agreement. Grantee contractors and subcontractors shall acknowledge and adhere to the Grant Agreement at all times.

F. Grantee shall complete the minor renovation activities during the term of the Grant Agreement and within the budget approved under the Grant Agreement.

G. Any contract for minor renovation activities must expressly incorporate **Exhibit I, Texas Uniform General Conditions for Construction Contracts and Supplemental General Conditions**.

H. Grantee shall comply with all federal or state requirements, as amended, regarding minor renovation activities under the Grant Agreement.

2.4.2 Project Management

Grantee shall assign designated staff to perform the following Project management activities:

A. Serve as the primary point of contact with HHSC to provide the Project status updates and to respond to all inquiries;

B. Direct the comprehensive lifecycle of all Project activities to ensure oversight in the planning, procurement, and implementation phases;

C. Coordinate Project-related tasks with all contractors, subcontractors, organizational partners, Grantee staff, and other technical professionals as needed throughout the Project Period;

D. Track and reconcile Project expenses against the Budget to ensure fiscal integrity and adherence to Grant Agreement;

E. Facilitate transparent reporting by managing the flow of Project updates, milestone achievements, and expenditure tracking; and

F. Identify and mitigate Project vulnerabilities through early detection and collaborative problem-solving with hospital leadership and HHSC.

2.4.3 Self-Monitoring Requirements.

Grantee shall be responsible for the monitoring and effective implementation of the Project and the quality of the services provided as described below.

A. Grantee shall implement a systematic monitoring process to track milestone completion, maintain schedule adherence, and ensure high-quality, cost-efficient execution by the Project's conclusion.

B. Grantee is exclusively accountable to fulfill all obligations and requirements of the Grant Agreement. The use of partners, contractors, or subcontractors does not mitigate or diminish the Grantee’s responsibility for performance in accordance with the Grant Agreement.

C. Grantee shall implement corrective action(s) as necessary to ensure the successful and timely completion of the Project. Grantee shall take corrective actions upon the discovery of any Project insufficiencies, including, but not limited to, when:

1. The Project encounters process or workflow failures, resource or staffing issues, or unexpected financial constraints;

2. Grantee's Project staff misses reporting due dates; or

3. Potential issues (e.g., scope creep; schedule delays; sustainability failures; partner, contractor or subcontractor issues; or other factors that impact the success of the Project).

D. Grantee shall notify HHSC of any insufficiencies, or corrective action(s) to remedy the insufficiencies, via the reports that are required to be submitted to HHSC under **Section 2.5, Required Reports**. Upon HHSC's request, Grantee shall provide documentation evidencing its corrective action(s) to remedy the insufficiencies identified in its required reports.

2.4.4 Project Funding

Grant funds must be exclusively allocated to the activities described under the Grant Agreement. Expenses outside the scope of the Project are strictly forbidden. Grantee shall spend awarded grant funding in compliance with all applicable state and federal laws, rules, and regulations for the benefit of the Grantee and the communities that they serve.

2.4.5 Grant Administration

Throughout the Grant Term, the Grantee is responsible for performing and participating in the administrative tasks described below.

A. If not disallowed by State or local requirements, Grantee shall establish a dedicated savings account, not using grant funds awarded under the RHT program, to maintain the improvements and/or investments implemented under the Grant Agreement beyond the Grant Term. In maintaining the account, Grantee shall contribute to the account on a periodic and continual basis and ensure the funds remain untouched and are dedicated to the sole purpose of facility and/or equipment reinvestment. See **Section 6.2.4, Sustainability Plan**.

B. Grantee shall maintain an appropriate contract administration system to ensure that all terms, conditions, and specifications of the Grant Agreement are met.

C. Grantee shall retain a General Ledger from Grantee's computerized system that has accounts assigned to track financial transactions related to the Grant Agreement.

D. Grantee shall preserve written or electronic records of all activities, operations, and expenditures, including any subcontracts regarding renovation activities, related to grant programming.

E. Grantee shall establish quality assurance and quality improvement processes to monitor the progress of the initiative(s).

F. Grantee shall provide comprehensive reporting on or before the due dates in accordance with **Section 2.5, Required Reports.**

G. Grantee shall ensure all grant-related documentation is complete, accurate, and maintained in an organized fashion.

H. Grantee shall cooperate fully with HHSC staff during site visits and provide reasonable access to facilities, staff, and relevant project information to HHSC to assist in assessing progress on the Project and to determine the impact to the community.

I. Grantee shall attend all required HHSC meetings and trainings as directed by HHSC.

J. Grantee shall provide additional documentation or clarification as requested by HHSC.

K. Grantee shall ensure that recipients of federal grant funds are not otherwise ineligible to receive funds under the Grant Agreement.

2.5 REQUIRED REPORTS

HHSC will monitor Grantee's performance, including, but is not limited to, reviewing financial and programmatic reports and performance measures under the Grant Agreement. Grantee shall submit the following reports by their respective due dates:

REPORT	FREQUENCY	DUE DATE
Finalized Work Plan	One-time	Within 60 calendar days after Grant Agreement execution
Cost Reimbursement Invoices	Monthly	Invoices are due on or before the 15th of each month following the month the service was provided
Financial Status Report (FSR)	Quarterly	1. January 15 2. April 15 3. July 15 4. October 15
Progress Report	Quarterly	1. January 15 2. April 15 3. July 15 4. October 15
Support Documentation	Quarterly	1. January 15 2. April 15 3. July 15 4. October 15
Post-Grant Term Reporting	One-time	Upon HHSC request at any time during the five-year period following the end of Grant Term
Audit Risk Reduction Plan	One-time	60 calendar days after receipt of recommendations of audit risk

REPORT	FREQUENCY	DUE DATE
		assessment and mitigation recommendations

**Due dates that fall on a weekend or holiday are due by the next Business Day.*

Grantee shall provide all applicable invoices and reports in the format specified by HHSC in an accurate, complete, and timely manner and shall maintain appropriate supporting backup documentation. Failure to comply with submission deadlines for required reports, Financial Status Report or other requested information may result in HHSC, in its sole discretion, placing the Grantee on financial hold without first requiring a corrective action plan in addition to pursuing any other corrective or remedial actions under the Grant Agreement.

2.5.1 Finalized Work Plan

Grantee shall submit for HHSC approval a finalized work plan after Grant Agreement execution that demonstrates what steps Grantee will take to work towards and complete Project milestones and finalized schedule of activities. For minor renovation activities, Grantee shall include any finalized plans or schematics of the work to be performed.

2.5.2 Financial Status Reports (FSR)

Grantees must submit reports in accordance with **Section 2.7, Financial Status Reports**.

2.5.3 Performance Reports

During the Project Period, the Grantee shall submit a quarterly comprehensive performance report as directed by HHSC detailing current and future Project monitoring efforts, validating the achievement of milestones and key deliverables, including a thorough description of current activities (e.g., status of minor renovation activities and targeted completion date(s), status of any contracts for architectural, engineering or renovation services, status of applicable licensing and permits) and mitigation strategies for any past or future operational barriers or constraints encountered.

2.5.4 Supporting Documentation.

Grantee shall submit to HHSC detailed and accurate supporting documentation that validates Project expenditures and explicitly identifies the allowable costs incurred for the Project (e.g., copies of "paid" invoices and receipts). The invoices and receipts must be provided in Portable Document Format (PDF), Joint Photographic Experts Group (JPEG), or other HHSC-approved formats.

2.5.5 Post-Grant Term Reporting.

Grantee shall submit updated data related to funded activities as requested by HHSC at any time during the five-year period following the end of Grant Term.

2.5.6 Reporting Format.

Grantee shall provide all applicable reports in the format specified by HHSC in an accurate, complete, and timely manner and shall maintain appropriate supporting backup documentation.

2.5.7 Reporting Due Dates.

Failure to comply with submission deadlines for required reports, Financial Status Reports or other requested information may result in HHSC, in its sole discretion, placing the Grantee on financial hold without first requiring a PIP in addition to pursuing any other corrective or remedial actions under the Grant Agreement.

2.5.8 Advanced Notice for Reporting Extensions.

For any anticipated submission delays by Grantee, Grantee shall provide 10 calendar days' advance written notice to HHSC with a proposed revised deadline for HHSC to review and provide written approval. Frequent Grantee requests for reporting extensions are subject to HHSC compliance reviews and potential corrective actions.

2.5.9 Early Project Completion.

HHSC reserves the sole right to reduce reporting requirements upon the verified early completion of the Project.

2.5.10 Audit Risk Reduction Plan.

Grantee shall collaborate with HHSC-designated entity to conduct a comprehensive risk assessment and develop an Audit Risk Reduction Plan. Grantee shall submit the completed Audit Risk Reduction Plan to HHSC in accordance with timelines established in the Grant Agreement. The submission must include a detailed mitigation plan that identifies specific strategies, actions, and timelines to address and reduce all risks identified through the assessment process.

2.6 PERFORMANCE MEASURES AND MONITORING

HHSC will look solely to Grantee for the performance of all Grantee obligations and requirements in the Grant Agreement. Grantee shall not be relieved of its obligations for any nonperformance by its subgrantees or subcontractors, if any.

Grant Agreement is subject to HHSC's performance monitoring activities throughout the duration of the Project Period. This evaluation may include a reassessment of Project activities and services to determine whether they continue to be effective throughout the Grant Term.

Grantee shall regularly collect and maintain data that measures the performance and effectiveness of activities under the Grant Agreement in the manner, and within the timeframes specified in this RFA and the Grant Agreement, or as otherwise specified by HHSC.

Grantee shall submit the necessary information and documentation regarding all requirements, including reports and other deliverables, through its Performance Report and supporting documentation on or before the deadlines required in **Section 2.5, Required Reports**.

If requested by HHSC, Grantee shall report on the progress towards completion of the Project and other relevant information as determined by HHSC during the Project Period. To remain eligible for renewal funding, if any, Grantee must be able to show the scope of services provided and their impact, quality, and levels of performance against approved goals, and that Grantee's activities and services effectively address and achieve the Project's stated purpose.

2.6.1 HHSC Performance Assessment.

HHSC staff and/or its representatives may monitor and audit Grantee's performance under the Grant Agreement. Grantee shall agree to cooperate fully and assist with the coordination of the activities listed below, including, but not limited to:

A. Periodic site visits to monitor for compliance with federal and state requirements;

B. Efficient use of grant funds;

C. Project progression; and

D. Adherence to the requirements set forth in the executed Grant Agreement.

2.6.2 Performance Improvements.

HHSC may, at its sole discretion, require Grantee to adopt a formal Performance Improvement Plan to address any deficiencies that compromise Project completion or for failure to comply with the mandatory obligations of the Grant Agreement. HHSC reserves the right to impose remedial measures including the following:

A. Written PIP;

B. Additional reporting as directed by HHSC;

C. Placing Grantee on a financial hold (i.e., withholding payments) until resolution of deficiency or compliance issue;

D. Termination of Grant Agreement; or

E. Any or all remedies that may be available under the Grant Agreement and/or permitted by law.

2.7 FINANCIAL STATUS REPORTS

Grantee shall submit a quarterly FSRs to HHSC as required in **Section 2.5, Required Reports**, for HHSC review and financial assessment. Through submission of an FSR, Grantee certifies that:

A. Any applicable invoices have been reviewed to ensure all grant-funded purchases of goods or services have been completed, performed, or delivered in accordance with Grant Agreement requirements;

B. All services performed by Grantee have been completed in compliance with the terms of the Grant Agreement;

C. The amount of the FSR being submitted with addition of previously approved FSRs does not exceed the maximum liability of the Grant Award; and

D. All expenses shown on the FSR are allocable, allowable, actual, reasonable, and necessary to fulfill the purposes of the Grant Agreement.

2.8 LIMITATIONS ON GRANTS TO UNITS OF LOCAL GOVERNMENT

The General Appropriations Act (GAA) sets limitations on grants to units of local government. Article IX, Section 4.04 of the GAA states:

A. The monies appropriated by [the GAA] may not be expended in the form of a grant to, or a contract with, a unit of local government unless the terms of the grant or contract require that the monies received under the grant or contract will be expended subject to limitations and reporting requirements similar to those provided by:

1. Parts 2, 3, and 5 of this Article (except there is no requirement for increased salaries for local government employees);

2. Government Code, Sections 556.004, 556.005, and 556.006; and

3. Government Code, Sections 2113.012 and 2113.101.

B. In this section, "unit of local government" means:

1. a council of governments, a regional planning commission, or a similar regional planning agency created under Local Government Code, Chapter 391;

2. (2) a local workforce development board; or

3. (3) a community center as defined by Health and Safety Code, Section 534.001(b).

2.9 MANAGEMENT OF FUNDS DURING GRANT TERM

The Grant Term consists of two (2) Spend Periods, each with a defined funding allocation and period of availability. While Spend Periods may overlap, each period is distinct and must be managed separately. During periods of overlap, Grantee may have simultaneous access to funding from more than one Spend Period. This overlap is designed to facilitate continuity of Project activities and to prevent disruptions between funding cycles.

Grantee shall plan for and account for this overlap in both programmatic and financial management. Grantees may not claim or utilize funds from subsequent Spend Periods, until all funds from a Spend Period are fully exhausted, or the Spend Period has lapsed.

Grantee shall budget all grant funding over the span of three state fiscal years (2027-2029); however, Grantee shall ensure that all expenditures are accurately assigned to the appropriate Spend Period and align with the approved funding for that period. Grantee shall maintain financial tracking systems to comprehensively and clearly distinguish expenditures by Spend Period. Funds may not be commingled, transferred, or expended outside of their designated Spend Period.

Noncompliance with these requirements may result in corrective action, including disallowance of costs or recapture of funds.

SECTION III. APPLICANT ELIGIBILITY REQUIREMENTS

3.1 ELIGIBLE APPLICANTS

Eligible Applicants for this grant opportunity are healthcare providers that are physically located in, and provide healthcare to, a Texas county with a population of 68,750 or less (per Table P1, U.S. Census Bureau, 2020 Decennial Census) **or** are a Rural Hospital, **and** must be licensed or certified to operate and provide health care and related services. Eligible healthcare providers include, but are not limited to, the following:

A. Rural Hospitals;

B. Clinics, including Rural Health Clinics, Federally Qualified Health Center, and Physician Clinics;

C. Behavioral Health Providers;

D. Opioid/Substance Abuse Disorder Programs;

E. Emergency Medical Services Providers;

G. Pharmacies;

G. Public Health Offices;

H. Early Childhood Intervention (ECI) programs;

I. Deaf-Blind and Multiple Disabilities (DBMD) program providers; and

J. Providers who primarily serve individuals with IDD (Licensed Intermediate Care Facilities (ICF), Home and Community-based Services (HCS) Providers, Texas Home Living (TxHmL) Providers, and LIDDA).

Prioritization will be given to Applicants that are healthcare entities that primarily or exclusively serve individuals with IDD as described in **Section 9.6, Selection Methodology and Considerations**.

Preference through scoring will be in accordance with **Section 9.5, Scoring Methodology**.

3.2 AWARD AMOUNTS

The minimum amount of funding that can be requested is $200,000. The maximum allowable funding must not exceed 25 percent (25%) of the total appraised real property value of the facility in which the Applicant operates and that will house or directly receive the improvements funded under the proposed project, but no more than $2,000,000.

The real property value must be supported by documentation from either:

1. The most recent property tax assessment issued by the applicable Central Appraisal District; or

2. An independent appraisal conducted by a certified appraiser within twelve (12) months prior to the application due date.

The valuation documentation must be submitted with the Application or the Applicant will be disqualified.

The valuation must not include the value of:

1. Additional properties, parcels, or structures not located at the project site;
2. The land upon which the project site is located;
3. Satellite campuses, remote offices, or ancillary locations; or
4. Any other real property owned, leased, or operated by the Applicant that is not the primary location where the proposed project improvements will occur.

HHSC reserves the right to request additional documentation or clarification to verify that the submitted valuation accurately reflects only the real property associated with the project site.

Applicants are responsible for ensuring all valuation documentation is current, complete, and included at the time of submission. **Failure to include this documentation will result in an Application being disqualified.**

3.3 LEGAL AUTHORITY TO APPLY

By submitting an Application in response to this RFA, Applicant certifies that it has legal authority to apply for the Grant Agreement that is the subject of this RFA and is eligible to receive awards. Further, Applicant certifies it will continue to maintain any required legal authority and eligibility throughout the entire duration of the Grant Term, if awarded. All requirements apply with equal force to Applicant and, if the recipient of an award, Grantee and its subgrantees or subcontractors, if any.

Each Applicant may only submit one Application. If an additional Application having the same identifying information (e.g., TIN) is submitted, then HHSC reserves the right to disqualify any additional Application.

3.4 Application Screening Requirements

In order to be considered an Applicant eligible for evaluations, Applicant must meet the following minimum requirements:

A. Applicant must meet the definition of an eligible healthcare provider as defined in **Section 3.1, Eligible Applicants**.

B. Applicant must submit all completed Application forms and exhibits as required by **Section VI, Application Forms and Exhibits for Submission**.

C. Applicant must submit a completed Application by the date identified as the "Deadline for Submission of Applications," established in **Section 7.1, Schedule of Events**.

3.5 Grant Award Eligibility

By submitting an Application in response to this RFA, Applicant certifies that:

A. Applicant and all of its identified subsidiaries intending to participate in the Grant Agreement are eligible to perform grant-funded activities, if awarded, and are not subject to suspension, debarment, or a similar ineligibility determined by any state or federal entity;

B. Applicant is in good standing under the laws of Texas, and has provided HHS with any requested or required supporting documentation in connection with this certification;

C. Applicant shall remain in good standing and be eligible to conduct its business in Texas and shall comply with all applicable requirements of the Texas Secretary of State and the Texas Comptroller of Public Accounts;

D. Applicant is currently in good standing with all licensing, permitting, or regulatory bodies that regulate any or all aspects of Applicant's operations;

E. Applicant is currently in good standing with HHSC and is free of any outstanding financial liabilities to HHSC;

F. Applicant maintains all payment arrangements and is in good standing with HHSC and does not owe any financial obligations or debts to the State of Texas resulting in an active vendor hold with HHSC or the Texas Comptroller's Office; and

G. Applicant is not delinquent in taxes owed to any taxing authority of the State of Texas as of the deadline for submitting an application under this RFA.

3.6 Grants for Political Polling Prohibited

Pursuant to the General Appropriations Act, Article IX, Section 4.03, none of the funds appropriated by the General Appropriations Act may be granted to or expended by any

entity which performs political polling. This prohibition does not apply to a poll conducted by an academic institution as part of the institution's academic mission that is not conducted for the benefit of a particular candidate or party. By submitting a response to this RFA, Applicant certifies that it is not ineligible for a Grant Agreement pursuant to this prohibition.

3.7 BANKRUPTCY

If at any time during the Project Period, Grantee enters bankruptcy proceedings, whether voluntary or involuntary, Grantee agrees to provide written notice to HHSC within five (5) calendar days of initiation of proceedings. This notice must include the following:

A. Date on which the bankruptcy petition was filed;

B. Identity of the court where in which the bankruptcy petition was filed;

C. A copy of any and all legal pleadings;

D. A listing of government grant and cooperative agreement numbers; and

E. Granting or funding agencies for all government grants and cooperative agreements against which final payment has not been made.

SECTION IV. PROJECT PERIOD

4.1 PROJECT PERIOD

The Project Period is anticipated to be **September 30, 2026, through September 30, 2028**.

All Project funds must be expended within each respective Spend Period. The ensuing close-out period is for administrative close-out purposes only and does not permit additional service delivery or resource allocation.

4.2 PROJECT CLOSEOUT

HHSC will programmatically and financially close the grant award and end the Grant Agreement when HHSC determines Grantee has completed all applicable actions and work in accordance with Grant Agreement requirements. Grantee must submit all required financial, performance, and other reports as required in the Grant Agreement. The Project close-out date is 60 calendar days after the Grant Agreement end date. Funds not obligated by Grantee by the end of the Project Period and not expended by the Project close-out date will revert to HHSC.

SECTION V. GRANT FUNDING AND REIMBURSEMENT INFORMATION

5.1 GRANT FUNDING SOURCE AND AVAILABLE FUNDING

The total amount of funding available for this program is **$70,432,073.50** for the entire Project Period**.**

Of the $70,432,073.50 available for awards under this program, $20,000,000.00 will be prioritized funding for eligible Applicants that are IDD providers.

It is HHSC's intention to make multiple awards to Applicants that demonstrate commitment to investing in critical infrastructure, facility upgrades, and capital equipment that enhance access, quality, and sustainability of care in rural communities.

Applicant is strongly cautioned to only apply for the amount of grant funding it can **responsibly expend** to avoid lapsed funding at the end of the Project Period. Successful Applications may not be funded to the full extent of Applicant's Proposed Budget in order to ensure grant funds are available for the broadest possible array of communities and programs.

Grant funds must only be used for actual, allowable, and allocable expenses that occur within the Project Period. No spending or costs incurred prior to the Effective Date of the award will be eligible for reimbursement.

5.2 NO GUARANTEE OF DISBURSEMENT AMOUNTS

There is no guarantee of total disbursements to be paid to any Grantee under any Grant Agreement, if any, resulting from this RFA. Grantee should not expect to receive additional or continued funding under future RFA opportunities and should maintain sustainability plans in case of discontinued grant funding. Any additional funding or future funding may require submission of a new Application through a subsequent RFA.

Receipt of an Application in response to this RFA does not constitute an obligation or expectation of any award of a Grant Agreement or funding of a grant award at any level under this RFA.

5.3 GRANT FUNDING PROHIBITIONS & LIMITATIONS

Grant funds shall not be used to support the following services, activities, and costs:

1. Computers, laptops, tablets, smartphones, servers, cybersecurity, or other IT-related equipment or hardware, unless preapproved in writing by HHSC;
2. Construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost;
3. Pre-award costs;

4. Meeting matching requirements for any other federal funds or local entities;
5. Services, equipment, or supports that are the legal responsibility of another party under federal, State, or tribal law, such as vocational rehabilitation or education services;
6. Services, equipment, or supports that are the legal responsibility of another party under any civil rights law, such as modifying a workplace or providing accommodations that are obligations under law;
7. Goods or services not allocable to the Project;
8. Supplanting existing State, local, tribal, or private funding of infrastructure or services, such as staff salaries;
9. Supplanting funding for in-process or planned construction projects;
10. The cost of independent research and development, including their proportionate share of indirect costs. See 2 CFR § 300.477;
11. Funds related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order;
12. Meals, unless in limited circumstances such as:
    a. Subjects and patients under study;
    b. Where specifically approved as part of the project or program activity, such as in programs providing children's services; or
    c. As part of a per diem or subsistence allowance provided in conjunction with allowable travel;
13. Activities prohibited under 2 CFR § 200.450 and the USHHS Grants Policy Statement, including, but not limited to:
    a. Paying the salary or expenses of any grant recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or executive order proposed or pending before the Congress or any State government, State legislature, or local legislature or legislative body; or
    b. Lobbying, but awardees can lobby at their own expense if they can segregate federal funds from other financial resources used for lobbying;
14. The purchase of covered telecommunications and video surveillance equipment (See 2 CFR § 200.216) as well as financial assistance to households for installation and monthly broadband internet costs;
15. General operating expenses or costs or expenses related to or for payment towards debt;
16. Recruitment or retention of providers;
17. Any use of grant funds to replace (supplant) funds that have been budgeted for the same purpose through non-grant sources;

18. Inherently religious activities such as prayer, worship, religious instruction, or proselytization;

19. Lobbying or advocacy activities with respect to legislation or to administrative changes to regulations or administrative policy (cf. 18 U.S.C. § 1913), whether conducted directly or indirectly;

20. Any portion of the salary of, or any other compensation for, an elected or appointed government official;

21. Vehicles for general agency use (to be allowable, vehicles must have a specific use related to Project objectives or activities);

22. Entertainment, amusement, or social activities and any associated costs including but not limited to admission fees or tickets to any amusement park, recreational activity or sporting event unless such costs are incurred for components of a program approved by the grantor agency and are directly related to the program's purpose;

23. Costs of promotional items, and memorabilia, including models, gifts, and souvenirs;

24. Food, meals, beverages, or other refreshments, except for eligible per diem associated with grant-related travel, where pre-approved for working events, or where such costs are incurred for components of a program approved by the grantor agency and are directly related to the program's purpose;

25. Membership dues for individuals;

26. Any expense or service that is readily available at no cost to the Grant Project;

27. Any activities related to fundraising;

28. Property losses and expenses, real estate purchases, mortgage payments, the acquisition or construction of facilities, or other items that are unallowable pursuant to 2 CFR § 200.439;

29. Any other prohibition imposed by federal, state, or local law; and

30. Other unallowable costs as listed under 2 CFR pt. 200, Subpart E – Cost Principles, General Provisions for Selected Items of Cost, where applicable.

Renovation Limitations. Minor alteration and renovation projects include small modifications aimed at enhancing the functionality of the facility where the Project activities will take place. In general, minor modifications to an existing building footprint, existing infrastructure, and existing rooms within a facility would be considered minor building alterations or renovations. For example, renovations or retrofitting to convert underutilized cost intensive spaces within existing health care facilities to community-

based treatment spaces would qualify. Other acceptable examples include, but are not limited to, the following:

1. Interior Modifications: Installing or relocating interior walls and partitions to create new offices or meeting rooms;
2. Lighting and Electrical: Upgrading light fixtures to more energy-efficient systems;
3. HVAC and Plumbing: Replacing vents and thermostats for better climate control.
4. Accessibility Improvements: Installing automatic door openers to enhance accessibility.
5. Security and Safety: Installing or upgrading security cameras or access control panels.
6. Workspace Reconfiguration: Creating open office layouts or converting private offices to better suit needs.

5.4 Cost Sharing or Matching Requirements

Cost Sharing or Matching funds are not a requirement of this RFA.

5.5 Payment Method

Grant Agreements awarded under this RFA will be funded on a Cost Reimbursement basis for reasonable, allowable, and allocable Grant Project Direct Costs. Under the Cost Reimbursement payment method, Grantee is required to finance operations and will only be reimbursed for actual, allowable, and allocable costs incurred and supported by adequate documentation. Advanced payments are not allowed under this program. Any exception must be requested in writing with justification and is subject to review and approval by HHSC.

SECTION VI. APPLICATION FORMS AND EXHIBITS FOR SUBMISSION

Note: Applicants must refer to **Section XIII, Submission Checklist,** for the complete checklist of documents that must be submitted with an Application under this RFA.

6.1 Applicant Information for Evaluation and Selection

Applicant shall fill out **Exhibit C, Evaluation and Selection Form**, in its entirety and provide the following information:

1. Applicant's name;
2. Name of county in which Applicant is located;
3. Whether Applicant's county has a population of 68,750 or less **or** whether Applicant is a Rural Hospital;

4. Acknowledgement that Applicant is licensed or certified to provide and practice healthcare;

5. Total appraised value of the real property of the facility in which the Applicant operates;

6. Rate of uninsured individuals in Applicant's county from the most recent census data (S2701 American Community Survey 5-Year Estimates);

7. Rate of individuals relying on Medicaid in Applicant's county from the most recent census data (S2704 American Community Survey 5-Year Estimates);

8. Rate of individuals relying on Medicare in Applicant's county from the most recent census data (S2704 American Community Survey 5-Year Estimates);

9. Rate of individuals considered to be impoverished in Applicant's county from the most recent census data (S1701 American Community Survey 5-Year Estimates);

10. Applicant type (i.e., nonprofit; private, for-profit; or other);

11. Project type (i.e., equipment acquisition, facility renovation to add a new service type or line, facility renovation, or all other);

12. Whether Applicant primarily or exclusively serves individuals with IDD; and

13. If Applicant primarily or exclusively serves individuals with IDD, the applicable IDD provider type.

6.2 PROJECT INFORMATION

Information provided in this section will not be used in the evaluation and scored. The information will be used in grant monitoring activities by HHSC for Applicants that are selected and awarded a Grant.

Using the appropriate forms as set out below, Applicants shall describe their proposed activities, processes, and methodologies to satisfy all objectives described in **Section II, Scope of Grant**, including the Applicant's problem statement, supporting data, Project approach and activities, organizational capacity, performance management, target population, and use of effective, high-impact strategies. Applicants should identify all proposed tasks to be performed, including all Project activities, during the Project Period.

If awarded, funds shall be utilized specifically as proposed by an Applicant within their Application. See **Section 5.3, Grant Funding Prohibitions & Limitations,** regarding prohibitions and limitations of grant funds.

Applicant is required to follow procurement guidelines that include obtaining competitive bids, quotes, or estimates if awarded funding, as required under State and federal regulations and guidelines.

To the greatest extent possible, Applicant shall prioritize the use of equipment and construction materials manufactured domestically in accordance with applicable State and federal laws.

Applicants **must** complete and submit all required forms and exhibits. **Applicants that fail to submit completed documents as set forth in this RFA with their Application may be disqualified.**

6.2.1 Executive Summary

Using **Form B, Executive Summary**, Applicant shall describe a high-level summary that outlines Applicant's proposed activities to be implemented under the Project, expected outcomes, and how success will be measured.

6.2.2 Project Narrative

Using **Form C, Project Narrative**, Applicant shall include a detailed description of all activities selected for their high probability of success, while ensuring implementation is grounded in the defined timeframes. (For activities eligible under this RFA, see **Section 2.3, Eligible Activities**. The Project Narrative must provide the information below.

1. Statement of Need.

   How current infrastructure, equipment, or capacity limitations affect access to care.

2. Project Description.

   A detailed description of the proposed Project, how it will be implemented, and the specific activities to be funded including location, scope, key components, and any specific details (e.g., measurements, milestones) regarding minor renovation activities. Applicant must also include category of type of Project (i.e., Equipment acquisition, facility renovation to add a new service line, facility renovation or repair or all other) based on which activities comprise the majority of the budget.

3. Goals and Expected Outcomes.

   The goals of the Project and any measurable outcomes (e.g., increased patient capacity, reduced wait times, expanded services).

4. Implementation Plan and Timeline.

   A defined Project timeline, including major milestones; and Project management structure and key staff or partners involved.

5. Organizational Capacity.

   Financial and operational capacity to complete the Project; and identification of partnerships (if applicable), including roles and contributions.

6.2.3 Work Plan

Using **Form D, Work Plan**, Applicant shall detail the execution of the Project over the Grant Term and identify goals, activities, milestones, progress and success metrics, and timeline.

6.2.4 Sustainability Plan

Using **Form E, Sustainability Plan,** Applicant shall submit a Sustainability Plan. The plan must provide a comprehensive strategy that addresses long-term operational continuity after the end of the Grant Term and a plan to create a savings account, not using RHT program funds, to maintain the facility or equipment using a standardized depreciation schedule and to maintain or replace infrastructure or capital investments accordingly. This account will hold financial contributions for the sole purpose of providing the opportunity for the entity to become self-sufficient in maintaining their investments when repairs or replacement are needed. Applicant shall include details on the planned account, including the amount of funds to be contributed, the frequency in which it is contributed, and an overall strategy on how the funding will be utilized and applied to address the needs of the Applicant.

For an Applicant that is a governmental entity and is not permitted to carry forward an unexpended balance for the dedicated account, Applicant will identify in its plan a publicly available depreciation schedule for these assets or materials that can be shared with state or local appropriators for consideration in future appropriation cycles and what steps it will take to maintain these investments.

6.2.5 Quote/Estimate/Cost Estimate Documentation

Application must include written documentation (e.g., bids, quotes, estimates, schematics, specifications, and/or plans) supporting the costs associated with project activities, or the Application **will be disqualified for funding**. This documentation must be less than 6 months old at the time of Application submission. Purchase or requisition orders are not acceptable documentation.

6.3 PROPOSED BUDGET

Applicant must submit its proposed budget in the GMS budget tab.

The proposed budget must map out all allowable expenses to support Project activities within the Project Period that explicitly supports identified activities within each Spend Period and in alignment with the requirements of this RFA.

When completing the budget in GMS, Applicant shall submit proposed Categorical Budgets that total the Applicant's requested funding amount over the span of the three applicable state fiscal years while keeping in mind that the total amount of budgeted funds must equal the total funding amount across all Spend Periods. The Spend Periods identified below must adhere to the following allocation percentage distribution:

Spend Period	**1**	**2**
Timeframe	09/30/2026 – 9/30/2027	10/31/2026 – 9/30/2028
Budget Allocation Percentage	51.49%	48.51%

Applicant shall enter the Categorical Budgets in GMS based on the following fiscal years using the corresponding GMS Budget tab.

State Fiscal Year (SFY)	9/1/2026 - 8/31/2027	9/1/2027 - 8/31/2028	9/1/2028 - 8/31/2029
GMS Budget Tab	2027	2028	2029

Over the course of the Grant Term, HHSC will provide ongoing technical assistance to support Grantees in monitoring expenditures, meeting required spending thresholds, and ensuring alignment with program timelines. This may include guidance on the amount of funding that should be expended within specific timeframes and notification of any adjustments needed to remain in compliance with grant requirements. Budget estimates may be refined in coordination with HHSC throughout the Project Period to ensure appropriate and timely use of funds.

Applicant's budget proposal must demonstrate how funding will be utilized over the Grant Term in order to plan and implement activities, goals and milestones in accordance with the proposed Project.

Applicants must ensure that Project costs outlined in the proposed budget are reasonable, allowable, allocable, and developed in accordance with applicable state and federal grant requirements. Reasonable costs are those if, in nature and amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. A cost is allocable to a particular cost objective if the cost is chargeable or assignable to such cost objective in accordance with relative benefits received. See 2 CFR § 200.403 or TxGMS Cost Principles, Basic Considerations (pgs. 31-34), for additional information related to factors affecting allowability of costs.

Applicants will utilize the budget template provided in the GMS and identify all budget line items. Budget categories must be broken into specific budget line items that allow HHSC to determine if proposed costs are reasonable, allowable, and necessary for the successful performance of the Project.

Budget proposals must demonstrate how funding is phased over time in alignment with project activities, approaches, and milestones, and Applicants must plan to expend budgeted funds within each respective Spend Period.

If selected for a grant award under this RFA, only HHSC-approved budget items in the Budget may be considered eligible for reimbursement.

See **Section 2.9, Management of Funds During Grant Term**, for additional information regarding funding during the Project Period.

Submission of a proposed budget in GMS is mandatory. Applicants that fail to submit a complete budget as set forth in this RFA will be disqualified.

6.4 INDIRECT COSTS

Indirect Costs will not be allowed under this RFA.

6.5 ADMINISTRATIVE APPLICANT INFORMATION

6.5.1 Applicant Information

Applicant shall complete and sign **Form A, Applicant Information**. If a governmental or nonprofit entity, Applicants shall also complete and submit the additional appropriate form:

1. **Form A-1, Governmental Entity Authorized Officials and Other Key Personnel**; or
2. **Form A-2, Nonprofit Entity**.

6.5.2 Contract and Litigation History

Applicant must complete **Form G, Contract and Litigation History,** and provide a complete disclosure of any alleged or significant contractual or grant failures.

In addition, Applicant must disclose any civil or criminal litigation or investigation pending over the last five (5) years that involves Applicant or in which Applicant has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify Applicant. See also, **Exhibit A, HHS Solicitation Affirmations v.2.10,** where Applicant certifies it does not have any existing claims against or unresolved audit exceptions with the State of Texas or any agency of the State of Texas.

Application may be rejected based upon Applicant's prior history with the State of Texas or with any other party that demonstrates, without limitation, unsatisfactory performance, adversarial or contentious demeanor, or significant failure(s) to meet contractual or grant obligations.

6.5.3 Financial Management and Administrative Questionnaire

Applicant must complete **Form F, Financial Management and Administrative Questionnaire**.

6.6 AFFIRMATIONS AND CERTIFICATIONS

Applicants must complete and sign the following affirmations and certifications:

1. **Exhibit A, HHS Solicitation Affirmations v. 2.10**.
2. Federal Assurances: Applicant should complete the applicable exhibit depending on whether it is proposing a construction or non-construction Project:
   a. **Exhibit E-1, Assurances – Non-Construction Programs**; or
   b. **Exhibit E-2, Assurances – Construction Programs**.
3. Certifications:
   a. **Exhibit F, Certification Regarding Lobbying**;
   b. **Exhibit G, Federal Funding Accountability and Transparency Act (FFATA) Certification Form**; and
   c. **Exhibit H, CMS Notice of Award RHTCM332068-01-00 Acknowledgment of Receipt**.

SECTION VII. RFA ADMINISTRATIVE INFORMATION AND INQUIRIES

7.1 SCHEDULE OF EVENTS

EVENT	DATE/TIME
Funding Announcement Posting Date Posted to HHS Grants RFA website	April 30, 2026]
Applicant Conference Attendance is Optional	May 7, 2026 at 2:00 PM Central Time
Deadline for Submitting Questions or Requests for Clarification	May 13, 2026 at 5:00 PM Central Time
Date Answers to Questions or Requests for Clarification Posted	May 19, 2026
Deadline for Submission of Applications NOTE: Applications must be RECEIVED by HHSC by this deadline if not changed by subsequent Addenda to be considered eligible.	**June 1, 2026 by 10:30 a.m. Central Time**
Anticipated Notice of Award	September 1, 2026
Anticipated Project Start Date	September 30, 2026

Applicants must ensure their Applications are received by HHSC in accordance with the Deadline for Submission of Applications (June 1, 2026, 10:30 am) indicated in this Schedule of Events or as changed by subsequent Addenda posted to the HHS Grants RFA website.

All dates are tentative and HHSC reserves the right to change these dates at any time. At the sole discretion of HHSC, events listed in the Schedule of Events are subject to scheduling changes and cancellation. Scheduling changes or cancellation determinations made prior to the Deadline for Submission will be published by posting an addendum to the HHS Grants RFA website. After the Deadline for Submission, if there are delays that significantly impact the anticipated award date, HHSC, at its sole discretion, may post updates regarding the anticipated award date to the Procurement Forecast on the HHS Procurement Opportunities web page. Each Applicant is responsible for checking the HHS Grants RFA website and Procurement Forecast for updates.

7.2 SOLE POINT OF CONTACT AND EXCEPTIONS

7.2.1 Sole Point of Contact

All requests, questions or other communication about this RFA shall be made by email **only** to the Grant Specialist designated as HHSC's Sole Point of Contact listed below:

Name	Alexis Jimerson, CTCD, CTCM
Title	Grant Specialist, HHSC Procurement and Contracting Services
Address	Procurement and Contracting Services Building 1100 W 49th St. MC: 2020 Austin, TX 78756
Phone	512-231-5664
Email	SPPPCS@hhs.texas.gov

Applicants shall not use this e-mail address for submission of an Application. Follow the instructions for submission as outlined in Section VIII, Application Organization and Submission Requirements.

7.2.2 Exceptions to the Sole Point of Contact

Exceptions to **Section 7.2.1, Sole Point of Contact** are as follows:

1. An Applicant with a technical question about or needing assistance with the use of GMS is permitted to direct its written question(s) via email to GMSSupport@hhs.texas.gov.

2. The Sole Point of Contact may expressly designate in writing another HHSC representative to speak to Applicant during grant negotiations as part of the normal grant review process, if any.

7.2.3 Prohibited Communications

Applicants and their representatives shall not contact other HHS personnel regarding this RFA.

This restriction (on only communicating in writing by email with the Sole Point of Contact identified above) does not preclude discussions between Applicant and agency personnel for the purpose of conducting business unrelated to this RFA.

Failure of an Applicant or its representatives to comply with these requirements may result in disqualification of the Application.

7.3 RFA Questions and Requests for Clarification

Written questions and requests for clarification of this RFA are permitted if submitted by email to the Sole Point of Contact by the deadline established in Section 7.1, Schedule of Events, or as may be amended in Addenda, if any, posted to the HHS Grants RFA website.

Applicants' names will be removed from questions in any responses released. All questions and requests for clarification must include the following information. Submissions that do not include this information may not be accepted:

1. RFA number;
2. Section or paragraph number from this Solicitation;
3. Page number of this Solicitation;
4. Exhibit or other attachment and section or paragraph number from the exhibit or other attachment;
5. Page number of the exhibit;
6. Language, topic, section heading being questioned; and
7. Question.

The following contact information must be included in the e-mail submitted with questions or requests for clarification:

1. Name of individual submitting question or request for clarification;
2. Organization name;
3. Phone number; and
4. E-mail address.

HHSC may review and, at its sole discretion, may respond to questions or other written requests received after the deadline.

7.4 AMBIGUITY, CONFLICT, DISCREPANCY, CLARIFICATIONS

Applicants must notify the Sole Point of Contact of any ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in the RFA in the manner and by the deadline for submitting questions. Each Applicant submits its Application at its own risk.

If Applicant fails to properly and timely notify the Sole Point of Contact of any ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in the RFA, Applicant, whether awarded a Grant Agreement or not:

1. Shall have waived any claim of error or ambiguity in the RFA and any resulting Grant Agreement;
2. Shall not contest the interpretation by HHSC of such provision(s); and
3. Shall not be entitled to additional reimbursement, relief, or time by reason of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error or its later correction.

7.5 RESPONSES TO QUESTIONS OR REQUEST FOR CLARIFICATIONS

Responses to questions or other written requests for clarification will be consolidated and HHSC will post responses in one or more Addenda on the HHS Grants RFA website. Responses will not be provided individually to requestors.

HHSC reserves the right to amend answers previously posted at any time prior to the deadline for submission of Applications. Amended answers will be posted on the HHS Grants RFA website in a separate, new Addendum or Addenda. It is Applicant's responsibility to check the HHS Grants RFA website or contact the Sole Point of Contact for a copy of the Addendum with the amended answers.

7.6 CHANGES, AMENDMENT OR MODIFICATION TO RFA

HHSC reserves the right to change, amend, modify or cancel this RFA. All changes, amendments and modifications or cancellation will be posted by Addendum on the HHS Grants RFA website.

It is the responsibility of each Applicant to periodically check the HHS Grants RFA website for any additional information regarding this RFA. Failure to check the posting website will in no way release any Applicant or awarded Grantee from the requirements of posted Addenda or additional information. No HHS agency will be responsible or liable in any regard for the failure of any individual or entity to receive notification of any posting to the websites or for the failure of any Applicant or awarded Grantee to stay informed of all postings to these websites. If the Applicant fails to monitor these websites for any changes

or modifications to this RFA, such failure will not relieve the Applicant of its obligation to fulfill the requirements as posted.

7.7 EXCEPTIONS AND ASSUMPTIONS

Applicants are highly encouraged, in lieu of including exceptions in their Applications, to address all issues that might be advanced by way of exception or assumptions by submitting questions or requests for clarification pursuant to **Section 7.3, RFA Questions and Requests for Clarification**.

Exhibit D, Exceptions Form, must only be used if Applicant has specific exceptions to the terms and conditions applicable to this Grant. No exception, nor any other term, condition, or provision in an Application that differs, varies from, or contradicts this RFA, will be considered to be part of any Grant Agreement unless expressly made a part of the Grant Agreement in writing by HHSC.

7.8 APPLICANT CONFERENCE

HHSC will conduct an Applicant conference on the date and time set out in **Section 7.1, Schedule of Events**. The Applicant conference will include the review of the Application submission using GMS, which will be the sole method of submission for this RFA. Attendance is optional and not required, however, is strongly encouraged.

People with disabilities who wish to attend the meeting and require auxiliary aids or services should contact the Sole Point of Contact identified in **Section 7.2, Sole Point of Contact and Exceptions**, at least seventy-two (72) hours before the meeting in order to have reasonable accommodations made by HHSC.
Attendance will be recorded virtually, and each attendee must provide his/her name, attendee's entity name, and attendee email address.

All questions and requests for clarification must be presented in writing at the conference. Reference **Section 7.3, RFA Questions and Requests for Clarification** for the required format and information to be included.

HHSC reserves the right to amend responses to questions and requests for clarification after posting at any time prior to the Deadline for Submission of Applications. Amended answers will be posted on the HHS Grants RFA website in a separate, new Addendum or Addenda.

CONFERENCE INFORMATION:

The conference will be held through TEAMS, which may be accessed at:

https://events.teams.microsoft.com/event/097e6974-5bcb-447c-bf66-67760ac67e21@9bf97732-82b9-499b-b16a-a93e8ebd536b

Conference Instructions:

1. Click the **Register** button
2. To register, the participants must have the following information ready:
   a. First and last name of each attendee/registrant
   b. Business e-mail address for the attendee/registrant
   c. Applicant's organization name
   d. Job title of attendee/registrant

SECTION VIII. APPLICATION ORGANIZATION AND SUBMISSION REQUIREMENTS

8.1 APPLICATION RECEIPT

Applications must be received by HHSC by the Deadline for Submission of Applications specified in **Section 7.1, Schedule of Events,** or subsequent Addenda. GMS will not allow late submission of Applications. Applications received after the Deadline for Submission of Applications may be ruled ineligible. Applicants should allow for adequate time for submission before the posted Deadline for Submission.

No HHS agency will be held responsible for any Application that is mishandled prior to receipt by HHSC. It is the Applicant's responsibility to ensure its Application is received by HHSC before the Deadline for Submission of Applications. No HHS agency will be responsible for any technical issues that result in late delivery, non-receipt of an Application, inappropriately identified documents, or other submission issue that may lead to disqualification.

All Applications become the property of HHSC after submission and receipt and will not be returned to Applicant.

Applicants understand and acknowledge that issuance of this RFA or retention of Applications received in response to this RFA in no way constitutes a commitment to award Grant Agreement(s).

8.2 APPLICATION SUBMISSION

By submitting an Application in response to this Solicitation, Applicant represents and warrants that the individual submitting the Application and any related documents on behalf of the Applicant is authorized to do so and to bind the Applicant under any Grant Agreement that may result from the submission of an Application.

8.3 REQUIRED SUBMISSION METHOD

Applicants must submit their completed Applications by the Deadline for Submission of Applications provided in **Section 7.1, Schedule of Events,** or subsequent Addenda, using

the approved method identified below. Applications submitted by any other method (e.g., email) will not be considered and will be disqualified.

Required Submission Method: Grants Management System (GMS) External Portal Submission. **Refer to the Grants Management System External User Guide for instructions for submission at**:
https://www.hhs.texas.gov/sites/default/files/documents/grants-management-system-external-user-guide.pdf.

Applicants shall submit their Applications in GMS in accordance with **Section XIII, Submission Checklist.** Refer to **Exhibit J, Grants Management System (GMS) External Portal Information,** for instructions on accessing GMS**.**

See **Section 7.2.2, Exceptions to the Sole Point of Contact**, for questions or issues regarding GMS.

8.4 COSTS INCURRED FOR APPLICATION

All costs and expenses incurred in preparing and submitting an Application in response to this RFA and participating in the RFA selection process are entirely the responsibility of the Applicant.

8.5 APPLICATION COMPOSITION

All Applications must:

1. Be responsive to all RFA requirements;
2. Be clearly legible; and
3. For uploaded files, they should be properly paginated, as applicable, formatted as an 8 ½" x 11" page with 1-inch margins, and use a 12 point or larger font, except that a smaller font may be used for page headers and footers, footnotes, and illustrations such as tables, charts, diagrams, figures, graphs and other visual aids. If a font smaller than 12 point is used, the text when printed on 8 ½" x 11" paper must not require magnification to be legible. Times New Roman font is preferred.

8.6 APPLICATION WITHDRAWALS OR MODIFICATIONS

Applicant may modify its Application within GMS up until the submission deadline set forth in **Section 7.1, Schedule of Events**, or subsequent Addenda. The modification must be received by HHSC by the Deadline for Submission of Applications set forth in **Section 7.1, Schedule of Events,** or subsequent Addenda.

An Applicant may withdraw its Application through GMS prior to the Deadline for Submission of Applications set forth in **Section 7.1, Schedule of Events**. After the Deadline for Submission of Applications, an Applicant must reach out to the Sole Point of Contact to withdraw its Application.

No modification request received after the Deadline for Submission of Applications, set forth in **Section 7.1, Schedule of Events,** or subsequent Addenda, will be considered. Additionally, in the event of multiple Applications received, the most timely received and/or modified Application will replace the Applicant's original and all prior submission(s) in its entirety and the original submission(s) will not be considered.

SECTION IX. APPLICATION SCREENING AND EVALUATION

9.1 OVERVIEW

A three-step selection process will be used:

1. Application screening to determine whether the Applicant meets the minimum requirements of this RFA;
2. Evaluation based upon specific selection criteria and scoring methodology; and
3. Final selection based upon State priorities and other relevant factors, as outlined in **Section 10.1, Final Selection**.

9.2 INITIAL COMPLIANCE SCREENING OF APPLICATIONS

All Applications received by the Deadline for Submission of Applications as outlined in **Section 7.1, Schedule of Events**, or subsequent Addenda, will be screened by HHSC to determine which Applications meet all the minimum requirements of this RFA and are deemed responsive and qualified for further consideration. See **Section 3.4, Application Screening Requirements**.

At the sole discretion of HHSC, Applications with errors, omissions, or compliance issues may be considered non-responsive and may not be considered. The remaining Applications will continue to the evaluation stage and will be considered in the manner and form as which they are received. HHSC reserves the right to waive minor informalities in an Application. A "minor informality" is an omission or error that, in the determination of HHSC if waived or modified, would not give an Applicant an unfair advantage over other Applicants or result in a material change in the Application or RFA requirements.

Any disqualifying factor set forth in this RFA does not constitute an informality (e.g., **Exhibit A, HHS Solicitation Affirmations v.2.10**, or submitting a budget in GMS).

HHSC, at its sole discretion, may give an Applicant the opportunity to submit missing information or make corrections at any point after receipt of Application. The missing information or corrections must be submitted to the Sole Point of Contact e-mail address in **Section 7.2, Sole Point of Contact and Exceptions,** by the deadline set by HHSC. Failure to respond by the deadline may result in the rejection of the Application and the Applicant not being considered for award.

9.3 QUESTIONS OR REQUESTS FOR CLARIFICATION FOR APPLICATIONS

HHSC reserves the right to ask questions or request clarification or revised documents for a submitted Application from any Applicant at any time prior to award. HHSC reserves the right to select qualified Applications received in response to this RFA without discussion of the Applications with Applicants.

9.4 EVALUATION CRITERIA

All eligible Applicants will be evaluated and scored based on the following criteria:

A. Need

1. Rate of Uninsured Individuals (10 points)
2. Rate of Individuals Relying on Medicaid (10 points)
3. Rate of Individuals Relying on Medicare (10 points)
4. Rate of Individuals Considered to be Impoverished (1 point for each percentage)

B. Type of Applicant (15 points)

C. Type of Project (15 points)

Applicants will be scored objectively using the scoring methodology set out below. See also, **Section 6.1, Applicant Information for Evaluation and Selection**.

9.5 SCORING METHODOLOGY

All eligible Applications will be evaluated and scored in accordance with the following scoring methodology using the evaluation criteria set out above:

A. Need

1. Rate of Uninsured Individuals

The percentage rate of uninsured individuals based on the US Census Bureau American Community Survey 2024 5-Year Estimate data (Table S2701) for the county in which the Applicant is located and provided by Applicant on **Exhibit C, Evaluation and Selection Form,** will be used to determine the points. HHSC reserves the right to validate the score against the information maintained by the US Census Bureau.

a. Uninsured rate of 23.00% or higher: (10 points)

b. Uninsured rate of 17.00% - 22.99% (7 points)

c. Uninsured rate of 10.00% - 16.99% : (5 points)

d. Uninsured rate of 0.00% - 9.99%: (0 points)

2. Rate of Individuals Relying on Medicaid

The percentage rate of individuals relying on Medicaid based on the US Census Bureau American Community Survey 2024 5-Year Estimate data (Table S2704) for the county in which the Applicant is located and provided by Applicant on **Exhibit C, Evaluation and Selection Form,** will be used to determine the points. HHSC reserves the right to validate the score against the information maintained by the US Census Bureau.

a. Medicaid rate of 22.00% or higher: (10 point)

b. Medicaid rate of 15.00% - 21.99%: (5 points)

c. Medicaid rate of 0.00% - 14.99%: (0 points)

3. Rate of Individuals Relying on Medicare

The percentage rate of individuals relying on Medicare based on the US Census Bureau American Community Survey 2024 5-Year Estimate data (Table S2704) for the county in which the Applicant is located and provided by Applicant on **Exhibit C, Evaluation and Selection Form**, will be used to determine the points. HHSC reserves the right to validate the score against the information maintained by the US Census Bureau.

a. Medicare rate of 22.00% or higher: (10 points)

b. Medicare rate of 15.00% - 21.99%: (5 points)

c. Medicare rate of 0.00% - 14.99%: (0 points)

4. Rate of Individuals Considered to be Impoverished

The percentage rate of individuals considered to be impoverished based on the US Census Bureau American Community Survey 2024 5-Year Estimate data (Table S1701) for the county in which the Applicant is located and provided by Applicant on **Exhibit C, Evaluation and Selection Form**, will be used to determine the points. HHSC reserves the right to validate the score against the information maintained by the US Census Bureau. To calculate this score, HHSC will use the actual percentage rate and assign 1 point for each percentage. For example, if the percentage rate is 39.5%, Applicant will receive 39.5 points.

B. Type of Applicant

Applicant's type as entered on **Exhibit C, Evaluation and Selection Form**. HHSC reserves the right to validate this information based upon what is submitted within the Application.

1. Nonprofit entity (15 points)

2. Private, for-profit entity (10 points)

3. Other entity: (0 points)

C. Type of Project

Type of project is based on what type of activities are proposed by Applicant on **Exhibit C, Evaluation and Selection Form,** that utilize the majority of the proposed budget. HHSC reserves the right to validate this information based upon what is submitted within the Application.

1. Equipment acquisition: (15 points)
2. Facility renovation to create new service type or line: (10 points)
3. Facility renovation or repair: (5 points)
4. All other: (0 points)

9.6 Selection Methodology and Considerations

After scoring, all eligible Applicants will be ranked by total score. The selection considerations and preferences below will be used to determine potential award recommendations.

A. Applications will be separated into the following two provider type groups:

1. Group A, providers that primarily or exclusively serve individuals with IDD; and
2. Group B, all others.

B. Group A Prioritization Process:

1. All eligible Applications in group A will be ranked by score.
2. Applications in group A will be funded from the IDD prioritization funds of $20,000,000. Funding will be awarded to Applications in group A by rank starting with the highest ranked Application until all available funding from the prioritization funds has been assigned.
3. If any remaining Applications from this group remain unfunded after selection exhausts the prioritization amount, those Applications will be regrouped with all other submitted Applications in group B.
4. If all Applications from group A are funded, any prioritization funds that remain will be used to fund all other Applications in group B.
5. After awarding the IDD prioritization funding for group A, the remaining Applications in group B (including any unfunded Applications, if any, from group A), will be ranked by score and funded until funds are exhausted.

9.7 In the Event of a Tie

Any tie in scoring that needs to be resolved in order to award funding will favor the Applicant with the largest number of full-time employees. If a tie still persists, preference will be given to the Applicant located in a county with the highest rate of uninsured

individuals per most recent census data (S2701 American Community Survey 5-Year Estimates) provided on **Exhibit C, Evaluation and Selection Form**.

9.8 PAST PERFORMANCE

HHSC reserves the right to request additional information and conduct investigations as necessary to evaluate any Application. By submitting an Application, the Applicant generally releases from liability and waives all claims against any party providing information about the Applicant at the request of HHSC.

HHSC may examine Applicant's past performance which may include, but is not limited to, information about Applicant provided by any governmental entity, whether an agency or political subdivision of the State of Texas, another state, or the federal government.

HHSC, at its sole discretion**,** may also initiate investigations or examinations of Applicant performance based upon any information available to HHSC, including media reports. Any negative findings, as determined by HHSC in its sole discretion**,** may result in HHSC removing the Applicant from further consideration for award.

Past performance information regarding Applicants may include, but is not limited to:

1. Notices of termination;
2. Cure notices;
3. Assessments of liquidated damages;
4. Litigation;
5. Audit reports; and
6. Non-renewals of grants or contracts based on Applicant's unsatisfactory performance.

Applicants also may be rejected as a result of unsatisfactory past performance under any grant(s) or contract(s) as reflected in vendor performance reports, reference checks, or other sources. An Applicant's past performance may be considered in the initial screening process and prior to making an award determination.

Reasons for which an Applicant may be denied a Grant Agreement at any point after Application submission include, but are not limited to:

1. If applicable, Applicant has an unfavorable report or grade on the CPA Vendor Performance Tracking System (VPTS). VPTS may be accessed at: https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/;
2. Applicant is currently under a corrective action plan through HHSC or DSHS;
3. Applicant has a record of repeated non-responsiveness to HHSC written requests;
4. Applicants has a history of repeated non-compliance with contractual obligations;

5. Applicant has contracts or purchase orders that have been cancelled in the previous 12 months for non-performance or substandard performance; or
6. Any other performance issue that demonstrates that awarding a Grant Agreement to Applicant would not be in the best interest of the State.

9.9 COMPLIANCE FOR PARTICIPATION IN STATE CONTRACTS

Prior to award of a Grant Agreement and in addition to the initial screening of Applications, all required verification checks will be conducted.

The information (e.g., legal name and, if applicable, assumed name (d/b/a), tax identification number, DUNS number) provided by Applicant will be used to conduct these checks. At HHSC's sole discretion, Applicants found to be barred, prohibited, or otherwise excluded from award of a Grant Agreement may be disqualified from further consideration under this Solicitation, pending satisfactory resolution of all compliance issues.

Checks include:

1. State of Texas Debarment and Warrant Hold

   Applicant must not be debarred from doing business with the State of Texas (https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php) or have an active warrant or payee hold placed by the Comptroller of Public Accounts (CPA).

2. U.S. System of Award Management (SAM) Exclusions List

   Applicant must not be excluded from contract participation at the federal level. This verification is conducted through SAM, the official website of the U.S. Government which may be accessed at: https://sam.gov/.

3. Divestment Statute Lists

   Applicant must not be listed on the Divestment Statute Lists provided by CPA, which may be accessed at:

   https://comptroller.texas.gov/purchasing/publications/divestment.phphttps://comptroller.texas.gov/purchasing/publications/divestment.php

   a. Designated Foreign Terrorist Organizations;
   b. Scrutinized Companies with ties to Foreign Terrorist Organizations;
   c. Scrutinized Companies with Ties to Sudan;
   d. Financial Companies that Boycott Energy Companies FAQ;
   e. List of Financial Companies that Boycott Energy Companies FAQ;
   f. Companies that Boycott Israel; and
   g. Scrutinized Companies with Ties to Iran.

4. HHS Office of Inspector General

   Applicant must not be listed on the HHS Office of Inspector General Texas Exclusions List for people or businesses excluded from participating as a provider: https://oig.hhsc.texas.gov/exclusions

5. U.S. Department of Health and Human Services

   Applicant must not be listed on the U.S. Department of Health and Human Services Office of Inspector General's List of Excluded Individuals/Entities (LEIE), excluded from participation as a provider, unless a valid waiver is currently in effect: https://exclusions.oig.hhs.gov/.

HHSC reserves the right to conduct additional checks to determine eligibility to receive a Grant Agreement.

SECTION X. AWARD OF GRANT AGREEMENT PROCESS

10.1 FINAL SELECTION

After initial screening for eligibility and Application completeness, and initial evaluation against the criteria listed in **Section 9.4, Evaluation Criteria**, HHSC may apply other considerations such as program policy or other selection factors that are essential to the process of selecting Applications that individually or collectively achieve program objectives. In applying these factors, HHSC may consult with internal and external subject matter experts.

After evaluating the Applicant's Application, HHSC will determine if the Application meets all RFA requirements. HHSC will issue a determination regarding the Application's adherence to RFA requirements. HHSC reserves the right to cancel this RFA, issue partial awards, or decline to award any grant agreements at any time and at its sole discretion.

HHSC will make final funding decisions based on Applicant eligibility, evaluation rankings, the funding methodology above, and include as applicable: Applicant's long-term financial sustainability, geographic area(s) with targeted population, state priorities, reasonableness, availability of funding, cost-effectiveness, and other relevant factors.

All funding recommendations will be considered for approval by the HHSC Deputy Chief Financial Officer, or their designee.

10.2 NEGOTIATIONS

After selecting Applicants for award, HHSC may engage in negotiations with selected Applicants. As determined by HHSC, the negotiation phase may involve direct contact between the selected Applicant and HHSC representatives by virtual meeting, by phone, and/or by email. Negotiations should not be interpreted as a preliminary intent to award

funding unless explicitly stated in writing by HHSC and is considered a step to finalize the Application to a state of approval and discuss proposed grant activities. During negotiations, selected Applicants may expect:

1. An in-depth discussion of the submitted Application and proposed budget; and
2. Requests from HHSC for revised documents, clarification, or additional detail regarding the Applicant's submitted Application. These clarifications and additional details, as required, must be submitted in writing by Applicant as finalized during the negotiation.

Final funding amounts and Grant Agreement provisions are determined at the sole discretion of HHSC.

10.3 DISCLOSURE OF INTERESTED PARTIES

Subject to certain specified exceptions, Section 2252.908 of the Texas Government Code, Disclosure of Interested Parties, applies to a contract of a state agency that has a value of $1 million or more; requires an action or vote by the governing body of the entity or agency before the contract may be signed; or is for services that would require a person to register as a lobbyist under Chapter 305 of the Texas Government Code.

One of the requirements of Section 2252.908 is that a business entity (defined as "any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation") must submit a Form 1295, Certificate of Interested Parties, to HHSC at the time the business entity submits the signed contract.

Applicant represents and warrants that, if selected for award of a Grant Agreement as a result of this RFA, Applicant will submit to HHSC a completed, certified and signed Form 1295, Certificate of Interested Parties, at the time the potential Grantee submits the signed Grant Agreement.

Form 1295 involves an electronic process through the Texas Ethics Commission (TEC). The on-line process for completing the Form 1295 may be found on the TEC public website at: https://www.ethics.state.tx.us/.

Additional instructions and information to be used to process Form 1295 will be provided by HHSC to the potential Grantee(s). Potential Grantee(s) may contact Sole Point of Contact or designated Contract Manager for information needed to complete Form 1295.

If the potential Grantee does not submit a completed, certified, and signed TEC Form 1295 to HHSC with the signed Grant Agreement, HHSC is prohibited by law from executing a contract, even if the potential Grantee is otherwise eligible for award. HHSC, as determined in its sole discretion, may award the Grant Agreement to the next qualified Applicant, who will then be subject to this procedure.

10.4 EXECUTION AND ANNOUNCEMENT OF GRANT AGREEMENT(S)

HHSC intends to award one or more Grant Agreements as a result of this RFA. However, not all Applicants who are deemed eligible to receive funds are assured of receiving a Grant Agreement.

At any time and at its sole discretion, HHSC reserves the right to cancel this RFA, make partial award, or decline to award any Grant Agreement(s).

The final funding amount and the provisions of the grant will be determined at the sole discretion of HHSC.

HHSC may announce tentative funding awards through an "Intent to Award Letter" once the HHSC Program Deputy Chief Financial Officer and relevant HHSC approval authorities have given approval to initiate and/or execute grants. Receipt of an "Intent to Award Letter" does not authorize the recipient to incur expenditures or begin project activities, nor does it guarantee current or future funding.

Upon execution of a Grant Agreement(s), HHSC will post a notification of all grants awarded to the HHS Grants RFA website.

SECTION XI. GENERAL TERMS AND CONDITIONS

11.1 GRANT APPLICATION DISCLOSURE

In an effort to maximize state resources and reduce duplication of effort, HHSC, at its discretion, may require the Applicant to disclose information regarding the Application for or award of state, federal, and/or local grant funding to the Applicant or subgrantee or subcontractor (i.e. organization who will participate, in part, in the operation of the Project) within the past two years.

11.2 TEXAS HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS)

In procuring goods and services using funding awarded under this RFA, Grantee must use HUBs or other designated businesses as required by law or the terms of the state or federal grant under which this RFA has been issued. See, e.g., 2 CFR § 200.321. If there are no such requirements, HHSC encourages Applicant to use HUBs to provide goods and services.

For information regarding the Texas HUB program, refer to CPA's website: https://comptroller.texas.gov/purchasing/vendor/hub/.

SECTION XII. APPLICATION CONFIDENTIAL OR PROPRIETARY INFORMATION

12.1 TEXAS PUBLIC INFORMATION ACT – APPLICATION DISCLOSURE REQUIREMENTS

Applications and resulting Grant Agreements are subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552, and may be disclosed to the public upon request. Other legal authorities also require HHSC to post grants and applications on its public website and to provide such information to the Legislative Budget Board for posting on its public website.

Under the PIA, certain information is protected from public release. If Applicant asserts that information provided in its Application is exempt from disclosure under the PIA, Applicant must:

1. **Form H, Public Information Act (PIA) Disclosure Form,** select "YES" in response to Section 1; in Section 2, identify the specific portion(s) of the Application that Applicant claims are exempt from disclosure and identify the claimed exemption under the PIA; and, in Section 3, upload the full PIA copy of the Application.

2. **Certify – HHS Solicitation**: Certify, in the designated section of **Exhibit A, HHS Solicitation Affirmations v.2.10**, Applicant's confidential information assertion and the filing of its **Form H, Public Information Act (PIA) Disclosure Form,** of the RFA.

By submitting an Application under this RFA, Applicant agrees that, if Applicant does not mark YES on Form I, Public Information Act (PIA) Disclosure Form, and provide the required certification in Exhibit A, HHS Solicitation Affirmations v.2.10, the Application will be considered to be public information that may be released to the public in any manner including, but not limited to, in accordance with the Public Information Act, posted on HHSC's public website, and posted on the Legislative Budget Board's public website.

If any or all Applicants submit partial, but not complete, information suggesting inclusion of confidential information and failure to comply with the requirements set forth in this section, HHSC, in its sole discretion, reserves the right to (1) disqualify all Applicants that fail to fully comply with the requirements set forth in this section, or (2) to offer all Applicants that fail to fully comply with the requirements set forth in this section additional time to comply.

No Applicant should submit a Public Information Act Copy indicating that the entire Application is exempt from disclosure. Merely making a blanket claim that the entire Application is protected from disclosure because it contains any amount of confidential, proprietary, trade secret, or privileged information is not acceptable, and may make the entire Application subject to release under the PIA.

Applications should not be marked or asserted as copyrighted material. If Applicant asserts a copyright to any portion of its Application, by submitting an Application, Applicant agrees to reproduction and posting on public websites by the State of Texas, including HHSC and all other state agencies, without cost or liability.

HHSC will strictly adhere to the requirements of the PIA regarding the disclosure of public information. As a result, by participating in this RFA, Applicant acknowledges that all information, documentation, and other materials submitted in its Application may be subject to public disclosure under the PIA. HHSC does not have authority to agree that any information submitted will not be subject to disclosure. Disclosure is governed by the PIA and by rulings of the Office of the Texas Attorney General. Applicants are advised to consult with their legal counsel concerning disclosure issues resulting from this process and to take precautions to safeguard trade secrets and proprietary or otherwise confidential information. HHSC assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by Applicants.

For more information concerning the types of information that may be withheld under the PIA or questions about the PIA, please refer to the Public Information Act Handbook published by the Office of the Texas Attorney General or contact the Attorney General's Open Government Hotline at (512) 478-OPEN (6736) or toll-free at (877) 673-6839 (877-OPEN TEX). To access the Public Information Act Handbook, please visit the Attorney General's website at http://www.texasattorneygeneral.gov.

12.2 APPLICANT WAIVER – INTELLECTUAL PROPERTY

SUBMISSION OF ANY DOCUMENT TO ANY HHS AGENCY IN RESPONSE TO THIS SOLICITATION CONSTITUTES AN IRREVOCABLE WAIVER, AND AGREEMENT BY THE SUBMITTING PARTY TO FULLY INDEMNIFY THE STATE OF TEXAS AND HHS FROM ANY CLAIM OF INFRINGEMENT REGARDING THE INTELLECTUAL PROPERTY RIGHTS OF THE SUBMITTING PARTY OR ANY THIRD PARTY FOR ANY MATERIALS SUBMITTED TO HHS BY THE SUBMITTING PARTY.

SECTION XIII. SUBMISSION CHECKLIST

HHSC, in its sole discretion, will review all Applications received and will determine if any or all Applications which do not include complete, signed copies of these exhibits and/or addenda, may be disqualified. See Section 9.2, Initial Compliance Screening of Applications for further detail.

This Submission Checklist identifies the documentation, forms, and exhibits that are required to be submitted as part of the Application through GMS.

Documentation	RFA Reference
All forms are in-system GMS entry	
Form A, Applicant Information	**Section 6.5.1**
Form A-1, Governmental Entity, if applicable	**Section 6.5.1**
Form A-2, Nonprofit Entity, if applicable	**Section 6.5.1**
Form B, Executive Summary	**Section 6.2.1**
Form C, Project Narrative	**Section 6.2.2**
Form D, Work Plan	**Section 6.2.3**
Form E, Sustainability Plan	**Section 6.2.4**
Form F, Financial Management and Administrative Questionnaire	**Section 6.5.3**
Form G, Contract and Litigation History	**Section 6.5.2**
Form H, Public Information Act Disclosure Form	**Section 12.1**
Quote/Estimate/Cost Determination Documentation **(required)** (submitted as uploaded file in GMS)	**Section 6.2.5**
Real Property Valuation Documentation **(required)** (submitted as uploaded file in GMS)	**Section 3.2**
Proposed Budget (In-system GMS entry)	**Section 6.3**
Exhibit A, HHS Solicitation Affirmations (In-system GMS entry)	**Section 6.6**
Exhibit C, Evaluation and Selection Form (In-system GMS entry)	**Section 6.1**
Exhibit D, Exceptions Form (In-system GMS entry)	**Section 7.7**
Exhibit E-1, Assurances – Non-Construction Programs, if applicable (Submitted as uploaded file in GMS)	**Section 6.6**
Exhibit E-2, Assurances – Construction Programs, if applicable (Submitted as uploaded file in GMS)	**Section 6.6**
Exhibit F, Certification Regarding Lobbying (Submitted as uploaded file in GMS)	**Section 6.6**

Exhibit G, Federal Funding Accountability and Transparency Act (FFATA) Certification Form (Submitted as uploaded file in GMS)	**Section 6.6**
Exhibit H, CMS Notice of Award, Acknowledgment of Receipt (Acknowledgment is an in-system GMS entry; federal notice of award is a PDF file)	**Section 6.6**
Addenda: Each Addendum, if any, must be signed and submitted with the Application (Submitted as uploaded file in GMS)	**Sections 7.1, 7.5, and 7.6**

SECTION XIV. LIST OF FORMS AND EXHIBITS

Forms – All forms are in-system GMS forms

Form A	Applicant Information
Form A-1	Governmental Entity Authorized Officials & Other Key Personnel
Form A-2	Nonprofit Entity
Form B	Executive Summary
Form C	Project Narrative
Form D	Work Plan
Form E	Sustainability Plan
Form F	Financial Management Plan and Administrative Questionnaire
Form G	Contract and Litigation History
Form H	Public Information Act (PIA) Disclosure Form

Exhibits – Except as noted below, exhibits are provided as portable document format (PDF) files with the RFA

Exhibit A	HHS Solicitation Affirmations, v. 2.10 (In-system GMS document)
Exhibit B	HHS Uniform Terms and Conditions (UTC) – Grant, v.3.5
Exhibit B-1	Additional Provisions – Grant Funding
Exhibit C	Evaluation and Selection Form (In-system GMS document)
Exhibit D	Exceptions Form (In-system GMS document)
Exhibit E-1	Assurances – Non-Construction Programs
Exhibit E-2	Assurances – Construction Programs
Exhibit F	Certification Regarding Lobbying
Exhibit G	Federal Funding Accountability and Transparency Act (FFATA) Certification Form
Exhibit H	CMS Notice of Award, Acknowledgement of Receipt (Acknowledgment is an in-system GMS document; federal notice of award is a PDF file)
Exhibit I	Texas Uniform General Conditions for Construction Contracts and Supplemental General Conditions
Exhibit J	Grants Management System (GMS) External Portal Information