

Capital Improvement Program Announcement Number: HRSA-09-244

1. PURPOSE

The American Recovery and Reinvestment Act (ARRA or Recovery Act), signed into law February 17, 2009, provides \$1.5 billion in grants to support construction, renovation and equipment, and the acquisition of health information technology systems, for health centers including health center controlled networks receiving operating grants under section 330 of the Public Health Service (PHS) Act, as amended (42 U.S.C. 254b).

The Recovery Act was enacted to:

- preserve and create jobs;
- promote economic recovery;
- help people most impacted by the recession;
- increase economic efficiency by investing in technological advances in science and health;
- promote long-term economic benefits by investing in transportation, environmental protection and other infrastructure; and
- preserve essential services in States and local governments.

Additional information on the Recovery Act can be found at <http://www.recovery.gov>. Information on activities related to the Recovery Act at the U.S. Department of Health and Human Services (HHS) can be accessed at <http://www.hhs.gov/recovery>. Information related to Health Center funding opportunities under the Recovery Act can be found at <http://bphc.hrsa.gov/recovery>.

Funds made available by the Recovery Act will support health centers to expand their capacity to provide primary and preventive health care services to medically underserved populations nationwide as well as create employment opportunities in underserved communities over the next 2 years. This announcement details the funding opportunity available for existing Health Center Program grantees under the Capital Improvement Program (CIP) initiative to address pressing capital improvement needs in health centers, such as construction, repair, renovation, and equipment purchases, including health information technology systems.

Health center grantees requesting CIP grants must demonstrate how their proposal will lead to improvements in access to health services for underserved populations and create health center and construction-related jobs. CIP grants are **one-time awards** and there is no expectation for ongoing support of CIP grant activities after the end of the 2-year project/budget period.

Health center applicants must comply with applicable requirements of section 330 of the PHS Act, implementing regulations, and guidelines, including the Health Center Program Requirements available at <http://bphc.hrsa.gov/about/requirements.htm>. Recovery Act grants administered by the Health Resources and Services Administration (HRSA) will have separate reporting requirements and funding categories (i.e., grantees will need to be able to track CIP grant funds separately from current section 330 funds and any other funds received under the

Recovery Act). Reporting requirements and expectations related to CIP projects and Recovery Act funding are discussed below.

2. SUMMARY OF FUNDING

HRSA will award approximately \$850 million, through limited competition grants, for one-time CIP grant funding in fiscal year (FY) 2009 to support existing section 330 funded health centers. CIP grant funding will be awarded in a single Notice of Grant Award (NGA) (i.e., all funds will be made available at the start of the project/budget period) for a **2-year project/budget period**. Consistent with intent of the Recovery Act, grantees are encouraged to implement projects that address immediate and pressing health center facility and equipment needs.

This funding will be awarded in a 2-year project/budget period from **July 1, 2009 through June 30, 2011**. There is no expectation for ongoing support of CIP grant activities after the end of the 2-year project/budget period. CIP grant funding will be provided to each grantee at the same program distribution level (i.e., special population funding proportions) as its existing operational grant funding.

In a separate correspondence through the Electronic HandBook (EHB) system, HRSA will communicate to each health center grantee a maximum request amount for this opportunity. CIP grant proposals will be submitted through HRSA's EHB. Each grantee will be allowed to propose one or more projects to be supported under the CIP grant.

Grantees will need to submit the following items; some items will need to be submitted for each CIP project:

- Application for Federal Assistance/Face Sheet SF-424
- SF-424D Assurances—Construction Programs
- Proposal Overview
- Project Details
- SF-424C Budget Information—Construction Programs
- Budget Justification
- Schematic Drawings (as applicable)
- Environmental Information and Documentation Checklist (as applicable)
- Facility Owner and Recipient—Statement of Agreement (as applicable)
- EHR Readiness Checklist (as applicable)

The proposed projects for Federal support under the CIP grant must be reasonable and appropriate based on existing need and on the information provided in this announcement. The completed CIP project(s) proposed in the application must result in a scope of project that is consistent with the Health Center Program's mission—to provide comprehensive, culturally competent, quality primary health care services to medically underserved communities and vulnerable populations—and must be supportable without additional section 330 operational grant funds. Further, at closeout for each completed CIP project, the grantee must submit photos, a final budget, a certificate of occupancy, a certificate of substantial completion, and a letter stating that the project was completed in accordance with previously certified contract documents and in accordance with all applicable Federal statutes and regulations.

3. ELIGIBILITY

The following types of existing health centers that have had applications approved for grant support in FY 2009 under the Health Center Program are eligible for CIP grant fund:

- Community Health Centers (CHC) - section 330(e)
- Migrant Health Centers (MHC) - section 330(g)
- Health Care for the Homeless (HCH) - section 330(h)
- Public Housing Primary Care (PHPC) - section 330(i)

4. COST SHARING/MATCHING

There are no matching requirements. However, grantees must indicate the total cost of the CIP projects and any sources of additional funding in the Project Details section and in the Budget Justification(s) of the application. If the total CIP proposal cost exceeds the maximum amount of the CIP grant, grantees must demonstrate sufficient additional sources of funds beyond the requested CIP grant funding to successfully complete the proposed project(s).

5. METHODOLOGY

Maximum funding allocations were determined based on the patient information submitted by each Health Center Program grantee in their respective calendar year (CY) 2008 Uniform Data System (UDS) report. Under the formula allocation, each health center grantee is eligible to apply for and receive between \$250,000 (the base amount) and \$2.5 million (the award ceiling). All section 330 grantees, to the extent supported by qualifying CIP applications, will receive the base amount of \$250,000 with an additional \$35 for every patient served, as exhibited on their CY 2008 UDS submission as of April 24, 2009, up to the award ceiling of \$2.5 million.

In the event that CY 2008 UDS data were not available, CY 2007 UDS data were used in determining the funding allocation. For those grantees with neither CY 2007 nor CY 2008 UDS reports on file with the Bureau of Primary Health Care (BPHC), the maximum amount that can be requested is the base amount of \$250,000.

6. ELIGIBLE USE OF FUNDS

Current section 330 grantees may submit a request for financial assistance to support one or more capital improvements in health center facilities such as: alteration/repair/renovation (may include equipment); construction of a new site or expansion of an existing site (may include equipment); and/or information technology (IT)/equipment purchase, including health information technology (HIT) systems and Electronic Health Record (EHR) related enhancements that are certified by a certification body recognized by the Secretary of Health and Human Services (HHS). Funds awarded through CIP grants must be **fully obligated** by the end of the 2-year project/budget period.

It is expected that CIP grants will be used to support the objectives of the Recovery Act, as stated above, and to support the mission of the Health Center Program, which is to improve the health of the Nation's underserved communities and vulnerable populations by assuring access to comprehensive, culturally competent, quality primary health care services.

Existing section 330 grantees may propose to change their Federal scope of project to add a new site as part of the CIP grant funding opportunity.¹ A CIP alteration/repair/renovation or construction project that proposes a new site not currently in the grantee's scope will automatically require the grantee to complete Form 5B and the Add Site Checklist for the proposed new site, as part of the EHB application process. Grantees may not add a new site as part of an IT/equipment-only, HIT, or certified EHR-related project, although they may propose that these types of projects occur at a site added previously as part of an alteration/repair/renovation or construction project in the same application. Any proposed new site will require an evaluation of whether the resulting scope of project and service area are appropriate to the existing need and Federal resources in the proposed communities. The results of such an evaluation may impact the eligibility of a proposal.

For alteration/repair/renovation and construction projects, grantees may propose use of an administrative-only site, which is already within grantee's scope, for delivering services as part of the project being proposed. Grantees wishing to propose an administrative-only site should add the "administrative-only" site from their scope in Form 5B; however, grantees must also mention in their Project Details section that they wish to convert the administrative-only site to a service delivery site, and must also submit a separate Change in Scope request to reflect this scope change. If a CIP project will result in a new service **currently NOT in the grantee's scope of project**, the grantee must follow the procedures outlined in PIN 2008-01, available at <http://bphc.hrsa.gov/policy/pin0801/>, and submit a Change in Scope request separately from the CIP application process.

The following uses of grant funds are **examples** of costs that are **not** eligible under CIP grants (additional guidance on allowable versus unallowable costs can be found in Appendix 3):

1. Operating costs (e.g., funding direct services, clinical full-time equivalents, rent, mortgage payments, refinanced credit facilities).
2. Purchase of EHR systems that are not certified by a certifying body recognized by the Secretary of HHS.
3. Land or facility purchase costs are **not** eligible uses of CIP grant funding. Eligible projects may contain land/facility purchase costs; **however**, individual project budgets must show sufficient resources **other than** CIP funding to cover those expenses.
4. Per Section 1604 of the Recovery Act: None of the funds appropriated or otherwise made available under the Recovery Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
5. Costs incurred prior to February 17, 2009.

Health centers may propose one or more of the following types of CIP projects (definitions and examples of types of CIP grants projects are described in Appendix 1):

1. Alteration/repair/renovation
2. Construction (new site or expansion of existing site)
3. IT/equipment-only purchase (single site or multi-site)

¹ Please see Policy Information Notice (PIN) 2008-01: Defining Scope of Project and Policy for Requesting Changes available at <http://bphc.hrsa.gov/policy/pin0801/>.

4. HIT-only purchase (non-EHR equipment; please see Appendix 1, Types of Projects, for examples)
5. Certified EHR-related purchase

Grantees will be required to file a Notice of Federal Interest (NFI) for:

- All CIP construction projects
- Each CIP alteration/renovation project having a total allowable project cost of more than \$500,000, **excluding equipment and contingency costs**

These filings state that the approval of the Associate Administrator of the Office of Federal Assistance Management, HRSA, must be given before the property can be mortgaged, sold, transferred, or used for a purpose inconsistent with the application. The period of the NFI is in perpetuity. When the project begins, a notarized NFI must be filed in the appropriate public records office of the jurisdiction in which the property is located and, upon filing, a copy must be provided to the appropriate HRSA Grants Management Specialist. See Appendix 2 for a sample NFI.

Leasehold Improvements

If the proposed project site is leased and the project is:

- a construction project, or
- an alteration/renovation project with a net project cost (total project cost less equipment and contingency costs) of **greater than \$500,000**; then,
The grantee must either:
 - a. Provide a signed statement of agreement from the facility owner; or,
 - b. Certify in the application that statement of agreement from the facility owner will be submitted to HRSA prior to expending CIP project grant funds.

The statement of agreement from the facility owner referenced above must address the following components:

1. Approval of the scope of the CIP project.
2. Agreement to provide the grantee health center reasonable control of the project site for at least 10 years.
3. Agreement to file an NFI in the land records of the local jurisdiction when the project begins.

If the project site is leased and the project is an alteration/repair/renovation project with a net project cost (total project cost less equipment and contingency costs) of **\$500,000 or less, then the application must include a certification by the health center grantee that the existing lease gives the health center reasonable control of the project site and is consistent with the scope of the CIP project.**

IT/Equipment Purchase

The purchase of any equipment may be an eligible use of grant funding in conjunction with a facility improvement project or as a stand-alone equipment-only project. Fixed equipment (any equipment that will require installation or renovation) should be included as part of an alteration/repair/renovation or construction project. Projects that include the purchase of

equipment must provide a detailed equipment list. Equipment should be pertinent to health center operations and should serve an identified user group.

HIT and Certified EHR Purchase

For HIT and certified EHR-related purchases, health center grantees within the scope of a current HRSA-funded health center controlled network are encouraged to work with their network to enhance their existing system. CIP funds cannot supplant HRSA funds that have been allocated for EHR-related activities (i.e., other HRSA grants that have been awarded to health center controlled networks for certified EHR adoption).

Grantees are encouraged to work with others who have successfully procured, adopted, and used certified EHRs and other HIT systems, and to use up to 2 percent of the CIP project budget for HIT and EHR implementation technical assistance.

EHR-only projects such as pre-implementation/readiness costs, certified systems, and enhancements to existing certified EHR systems are allowable; however, grantees must demonstrate readiness to purchase an EHR system prior to expending CIP funds. EHR systems purchased with CIP grants must be certified by an organization recognized by the Secretary of HHS. If readiness gaps exist, grantees will need to certify that certified EHR purchase will occur once readiness is achieved within the 2-year period.

Implementing an Electronic Health Record (EHR) is a very complex process and will require a comprehensive planning and readiness process that will:

- Identify goals for the EHR project
- Create a strategic plan that guides the certified EHR procurement and identifies key milestones to achieving “meaningful use”.
- Include a completed feasibility analysis
- Include a completed comprehensive organizational readiness assessment
- Include a completed comprehensive staff skills assessment
- Assess and inventory current resources (staff, hardware, software, etc.)
- Outline an implementation strategy for the EHR project that will achieve “meaningful use”.
- Inventory all additional hardware, software, and staff expertise needed to implement the EHR project
- Identify a multidisciplinary committee to oversee the readiness, due diligence, selection, and implementation of the certified EHR project
- Identify a plan to address the decrease in productivity during training and implementation
- Develop a plan to protect patient’s health information

The Recovery Act provides for a process whereby the definition of “meaningful use of certified EHRs” is set forth and adopted. The Act also requires the Secretary to specify the means by which health professionals can demonstrate that they are meaningfully using EHRs. Until such time as these definitions and requirements have been finalized, grantees are expected --as part of assessing their EHR readiness and formulating their strategic plans--to time their EHR

procurement appropriately to ensure that the EHRs purchased with this grant funding are able to support the meaningful use of certified EHRs.

Please note that equipment must be maintained, tracked, and disposed of in accordance with 45 CFR Parts 74.34 and 92.32.

7. BUDGET

Each individual project in a CIP application must contain a completed Standard Form-424C budget (SF-424C) for the 2-year project/budget period. Each project must also include an accompanying budget justification in narrative form. The budget justification provides a written description of the budget. It must clearly describe each cost element and explain how each cost contributes to meeting the CIP proposal's goals and objectives.

Applicants may propose to supplement the CIP grant with other **non-section 330 funds** to ensure the success of the proposed project(s).

Please see the sample project budgets in Appendix 3 for further details.

8. CIP PROPOSAL

The CIP proposal, to be completed in EHB, includes an overview of the proposal as well as detail for each individual project. The CIP proposal should provide a framework and explanation of all aspects of each project supported wholly or in part by the CIP grant, including a timeline and how the funds will be used. Please be aware that information presented in the description is publishable and may be used to provide information to the public and Congress. Grantees are expected to describe the impact the CIP grant funding will achieve by the end of the 2-year project/budget period, as well as the projected impact on access to care.

As grantees prepare to develop CIP proposals, they should consider:

- What is most appropriate given the immediate needs of the communities served
- The amount of funding available to support the project(s)
- The capacity to complete the project(s) within the 2-year project/budget period
- That equipment to be purchased must be utilized within the health center's scope of project
- Any significant environmental and/or historic preservation issues that may delay implementation

The following project types must be proposed as site-specific.

- Alteration/repair/renovation, with or without IT/equipment
- Construction (new site or expansion of existing site), with or without IT/equipment

Alteration/repair/renovation and construction projects should clearly identify all anticipated equipment that will be purchased and used/located at the specific site.

The following project types can be proposed either as site-specific, multi-site, or organization-wide (inclusive of all sites):

- IT/equipment-only purchase

- HIT-only purchase (non-EHR equipment)
- Certified EHR-related purchase

CIP Grant Application Elements

a. Proposal Overview

1. **Purpose.** Explain how the CIP proposal will appropriately address your community's immediate needs and how it will enhance the health center's effectiveness, efficiency, quality of care, and patient outcomes.
2. **Sustainability Plan.** Describe the overarching impact of the CIP proposal on the ongoing operational budget. Explain how the center will maintain the improved access/services resulting from the CIP project(s) **within** its existing operational budget/grant support. CIP grant funds **cannot** be used to support direct-service providers.
3. **Green/Sustainable Design Practices.** Indicate whether or not the health center will implement green/sustainable design practices for this proposal. If yes, please briefly summarize.
4. **Indirect Impact.** As a result of the CIP grant, health centers should be able to project indirect impacts of this funding on the health center's service delivery. Projections should reflect expected levels upon completion of all projects in the proposal.
 - a. Projected number of additional health center service provider FTEs (medical, dental, behavioral health, pharmacy, other professional, and enabling)
 - b. Total number of additional, unduplicated patients served
 - c. Total number of additional visits

b. Project Details—the following information will be required for **EACH** project proposed.

1. **Title.** Identify the title for this CIP project.
2. **Type.** Identify the type of project from the list below (pick one):
 - a. Alteration/repair/renovation, with or without IT/equipment
 - b. Construction (new site or expansion of existing site), with or without IT/equipment
 - c. IT/equipment-only purchase (single site or multi-site)
 - d. HIT-only purchase (non-EHR equipment)
 - e. Certified EHR-related purchases

For certified EHR-related purchases:

Applicants will need to certify EHR readiness within the 2-year project/budget period. For applicants that cannot certify readiness to purchase a certified EHR system within the project period, EHR system costs are not eligible uses of CIP funds. Grantees proposing all other EHR-related purchases (e.g., pre-implementation/ readiness, enhancements to an existing EHR system) may proceed to the next section.

- (1) Do you plan to purchase a certified EHR system? Yes/No

If grantees propose to purchase a certified EHR system, one of the following self-certifications must be provided, based on the completion of the EHR readiness checklist included in Appendix 5 (the checklist must also be uploaded as part of the application):

- Certify immediate readiness for certified EHR system purchase.
- Certify purchase of the certified EHR system will occur once readiness is achieved within the 2-year project period.

Please visit the HRSA Health IT Toolbox to access additional guidance on EHR readiness at <http://healthit.ahrq.gov/toolbox>.

3. **Current Square Footage of Facility**
4. **Project Management.** Explain the administrative structure and oversight for the project, including the qualifications of the individual (the Project Manager) who will be responsible for managing the project. Describe the ongoing institutional (e.g., governing board, management) commitment to the proposed improvement or enhancements.
5. **Project Manager.** Identify the individual at the health center who will be responsible for managing this project.
6. **Need.** Clearly identify and describe the deficiencies or the needs to be addressed with this project (e.g., fire/life safety issues, overcrowding, insufficient space, outdated/ineffective equipment, inefficient design for patient flow needs, accommodation of new or enhanced services, HIT and EHR readiness gaps). State concisely the importance of this improvement project to the organization's mission and the population it serves.
7. **Implementation.** Describe proposed improvements in relation to the existing situation (e.g., current versus proposed number of exam rooms, square footage improved/added, access redesign and related patient flow improvements, enhanced services resulting from new equipment purchased, implementation of an EHR or enhanced HIT). Explain how the proposed improvements will expand or improve your organization's effectiveness, efficiency, quality of care, and patient outcomes.
8. **Timeline.** Indicate the timeframe for demonstrating progress with this CIP project by identifying the start and end dates for each of the following critical milestones: planning, project development, implementation, and project completion.
9. **Project Impact.** As a result of the completed project, health centers should be able to demonstrate the impact of the improvements on the health center's effectiveness, efficiency, quality of care, and patient outcomes. Forecast the following outcomes, as they apply, of the **completed** CIP project.
 - a. Total square feet improved

- b. Total square feet increased²
- c. Projected number of administrative and facility health center FTEs³ created as a result of the project
 - (1) Management and support staff
 - (2) Fiscal and billing staff
 - (3) IT staff
 - (4) Facility staff
 - (5) Patient support staff
- d. Projected number of administrative and facility health center FTEs retained as a result of the project
 - (1) Management and support staff
 - (2) Fiscal and billing staff
 - (3) IT staff
 - (4) Facility staff
 - (5) Patient support staff
- e. Projected number of construction-related FTEs created as a result of the project
- f. Projected number of providers using the certified EHR or enhanced HIT system as a result of this project
- g. Projected number of patients with an electronic health record as a result of this project

10. **Equipment List.** Identify the following elements for **each** piece of equipment (including non-expendable supplies that are less than \$5,000⁴) to be purchased with CIP funds. Equipment type will be categorized as: clinical, non-clinical, or HIT/EHR.

Item Description	Unit Price	Quantity	Total Price	Equipment Type

- 11. **Budget.** For each CIP project, grantees will be required to complete a SF-424C for the 2-year project/budget period. Please see Appendix 3.
- 12. **Sources of Other Funding.** Identify other sources of funding as well as the amounts that will be used to cover the total cost associated with this project:
 - a. Federal BPHC CIP grant
 - b. State grants
 - c. Local funding
 - d. Other Federal funding
 - e. Private/third party funding
 - f. Other project financing

13. **Site(s)**⁵

² Total square feet increased and total square feet improved are mutually exclusive categories (i.e., square foot counted as increased cannot also be counted as improved, and vice versa).

³ Grantees should project full-time equivalent (FTE) estimates cumulatively created or retained. FTE calculations are based on aggregate hours worked to ensure temporary or part-time labor is not overstated.

⁴ Certain items of supply individually have a useful life of more than 1 year but generally do not have an acquisition cost greater than \$5,000 (e.g., generator and personal computer).

⁵ Once a CIP project involving a new site has been completed (i.e., the new site is operational), grantees will be required to verify the site is operational.

- a. For alteration/repair/renovation and construction projects, propose an existing site from the current scope OR add a new site² (not currently in scope). Only one site (new site OR site from scope) per project is allowed for alteration/repair/renovation and construction projects.
 - b. For IT/equipment-only, HIT-only, and EHR-related purchases projects, propose one or more site(s) from current scope and/or from the list of new sites which have been already added as part of an alteration/repair/renovation or construction project.
14. **Site Control.** Identify the current status of the property and whether it is owned or leased.
15. **Leased Property—Federal Interest**
If the proposed project site is leased and the project is:
- a construction project, or
 - an alteration/renovation project with a net project cost (total project cost less equipment and contingency costs) **greater than \$500,000**;
Then the grantee must either:
 - Provide a signed statement of agreement from the facility owner containing the elements required by HRSA; or,
 - Certify in the application that a signed statement of agreement from the facility owner containing the elements required by HRSA will be submitted to HRSA prior to expending project grant funds.
- If the project is an alteration/repair/renovation with a net project cost (total project cost less equipment and contingency costs) of **\$500,000 or less**, then the application must provide the following certification:
- The existing lease gives the health center reasonable control of the project site, and is consistent with the scope of the CIP project.
16. **Environmental Information and Documentation (EID) Checklist.** Grantees **MUST COMPLETE** the Environmental Information and Documentation checklist to identify any potential extraordinary circumstances for each CIP or alteration/repair/renovation or construction project. In addition, grantees must complete the EID checklist for equipment projects that involve either (1) modifications or renovations to a facility or (2) equipment using mercury (except ultra-violet and energy efficient lighting), radioactive sources, ozone depleting, or other hazardous substances or materials (NOTE: These constitute extraordinary circumstances since these types of equipment projects may require an Environmental Assessment because of the potential to cause a significant environmental effect).
17. **Attachments.** Grantees must include the following with their CIP submission, each as a separate attachment **as applicable**. Please clearly identify the filename for each of the attachments identified below. **NOTE: Each project-specific attachment may be given a filename using the headings below (e.g., BudgetJustificationProject1).** Do not use spaces or special characters in naming files.

- a. Budget Justification(s): Grantees will provide a separate budget and budget justification for each project to be supported through the CIP grant. Clearly label each budget justification to be uploaded (e.g., if two projects are proposed, two separate budget justifications should be provided).
- b. Schematic Drawings: For each CIP project for alteration/repair/renovation and construction of a site (whether an expansion of an existing site or construction of a new site), grantees will need to submit simple line drawings and must include square footage. These drawings should not be blueprints and do not need to be completed by an architect. Upload these drawings as .pdf files on 8.5” x 11” sheets of paper.
- c. Environmental Information and Documentation Checklist: Attach a completed EID Checklist (see Appendix 4).
- d. EHR Readiness: For EHR CIP projects only, attach a completed EHR Readiness Checklist (see Appendix 5).
- e. Statement of Agreement from property owner.

9. REVIEW

CIP proposals will be subject to an internal review for completeness, eligibility, service area overlap, architectural/engineering reasonableness, and for additional criteria related to the Recovery Act. The applicable laws, regulations, and policies include, but are not limited to, those listed below and at <http://www.hrsa.gov/hcofconstruction/fedconstructionreq.htm>

1. Wage Rate Requirements under Section 1606 of the Recovery Act: All laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through this HRSA grant shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. Pursuant to Reorganization Plan No. 14 and the Copeland Act, 40 U.S.C. 3145, the Department of Labor has issued regulations at 29 CFR Parts 1, 3, and 5 to implement the Davis-Bacon and related Acts.
2. Required Use of American Iron, Steel, and Manufactured Goods—Section 1605 of the Recovery Act: No HRSA grant funds may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

All alteration/repair/renovation and construction projects will require the completion of a HRSA environmental impact review and an architectural and engineering (A&E) review before a health center may expend CIP project funds.

Immediately upon completion of each CIP project, the grantee shall, at a minimum, provide the same type of insurance coverage as it maintains for other property it owns, consistent with the minimum coverage specified in the HHS Grants Policy Statement.

10. SUSTAINABLE/GREEN DESIGN PRACTICES

On the EID checklist and the proposal overview, it is important to note actions that may mitigate the environmental impacts of the proposed projects:

a. Alteration/Repair/Renovation or Construction

For design practices for medical facilities, refer to the latest edition of the document “Guidelines for Construction and Equipment of Hospital and Medical Facilities.”⁶ The specifics of Sustainable Design are discussed in Appendix A3 to the document’s Environment of Care section (1.2.3). The appendix references the U.S. Green Building Council’s LEED Green Building Rating System (<http://www.usgbc.org>) and the Green Guide for Health Care (<http://www.gghc.org>).

Sustainable Design should be considered when planning any building. Sustainable Design considerations should be included to the maximum extent feasible in alteration/repair/ renovation or construction grants with total project costs of \$1 million or more.

b. Equipment

Equipment selection is to be based on a preference for recycled content, non-hazardous substances, non-ozone depleting substances, energy and water efficiency, and consideration of final disposal (disposed in a manner that is safe, protective of the environment, and compliant with all applicable regulations) unless there are conflicting health, safety, and performance considerations.

Grantees are encouraged to employ the standards established by either the Electronic Product Environmental Assessment Tool (EPEAT) or Energy Star, where practicable, in the procurement of IT equipment. Following these standards will mitigate many of the negative effects on human health and the environment from the proliferation, rapid obsolescence, low recycling rate, high energy consumption, and potential to contain hazardous materials, and increased liability from improper disposal. Additional information for these standards can be found online at the following sites:

1. For EPEAT at <http://www.epeat.net>
2. For Energy Star at <http://www.energystar.gov>

11. ENVIRONMENTAL REVIEW

For each alteration/repair/renovation or construction CIP project, grantees MUST SUBMIT A COMPLETED Environmental Information and Documentation (EID) Checklist (Appendix 4) to indicate whether any potential extraordinary circumstances exist.

HRSA requires that grantees provide information on anticipated environmental impact as part of their CIP submission. Grantees MUST SUBMIT an EID Checklist for each alteration/repair/ renovation or construction CIP project. If the project has received an Environmental Assessment at the Federal, State, or local level, a copy of the assessment must be sent to HRSA. Please contact the HRSA Office of Policy and Program Development (OPPD) at bphcrecovery@hrsa.gov to determine how to submit this information.

The National Environmental Policy Act of 1969 (NEPA), 42 U.S.C 4321 (P.L. 91-190, Sec. 2, Jan. 1, 1970, 83 Stat. 852), including Public Disclosure, Section 102 of NEPA, and Executive

⁶ This document can be purchased from the American Institute of Architects Order Department, PO Box 60, Williston, Vermont 05495-0060 or by calling 1-800-365-ARCH.

Order 11514 require Federal agencies to assess the environment impacts of Federal actions, including construction projects supported in whole or in part through Federal contracts, grants, subsidies, loans, or other forms of funding assistance.

For equipment only or alteration/repair/renovation projects, if it has been determined by HRSA, after reviewing the EID and the project proposal, that the project may have a significant impact on the environment⁷, HRSA will contact the grantee and require that they initiate and prepare a draft Environmental Assessment (EA) or communicate this through the NGA.

All new construction projects will be required to prepare a draft EA if not previously prepared. The cost for hiring qualified environmental consultant to prepare the draft EA is an eligible cost under this program. Until the environmental review is completed by HRSA, grantees are not authorized to acquire equipment or initiate work beyond the design and permitting stage of the construction project.

Based on a review of the draft EA, HRSA will determine if there is a Finding of No Significant Impact (FONSI) or a significant impact on the environment. If the EA reveals no significant impact on the environment, the grantee will prepare a draft FONSI document briefly presenting the reasons why an action, not otherwise excluded, will not have a significant effect on the environment and for which an Environmental Impact Statement (EIS) need not be prepared. The FONSI will be forwarded to the HRSA for review and approval.

If HRSA determines that there is a significant impact on the environment, the grantee will be required to prepare a draft EIS. HRSA will: provide advice and assistance to the grantee, as necessary, concerning review procedures; evaluate the results of the review; and make the final decision on environmental impact as required by NEPA. Upon receipt and review of the draft EIS, HRSA will issue a Record of Decision before action is taken on the proposal addressed by the EA.

12. CULTURAL RESOURCE ASSESSMENT AND HISTORIC PRESERVATION (HP) SECTION 106 REVIEW

Alteration/repair/renovation and construction CIP projects must be reviewed under the terms of section 106 of the National Historic Preservation Act (NHPA). Under section 106 of the NHPA, Federal agencies must consider the effect on historic properties before making a decision on whether to fund a project. Under section 106, prior to the expenditure of CIP funds, an assessment must be made of the potential effects of undertakings on historic properties (which include any prehistoric or historic district, site, building, structure, or object), that are eligible for listing or are listed on the National Register of Historic Places (NRHP). Pursuant to the regulations at 36 CFR Part 800, the responsible Federal official must make a decision regarding the project's effect on historic properties in consultation with the State Historic Preservation Officers (SHPO), Tribal Historic Preservation Officers (THPO), representatives of the local

⁷ Equipment using mercury (except ultra-violet and energy efficient lighting), radioactive sources, ozone depleting, or other hazardous substances or materials constitute extraordinary circumstances that may require an Environmental Assessment because of the potential to cause a significant environmental effect. Equipment installation involving alteration/repair/renovation (demolition of walls, reconfiguring rooms), setting up temporary trailers, etc., from the list of Categorically Excluded activities would trigger an Environmental Assessment.

government, affected Indian tribes and Native Hawaiian organizations, and other interested parties.

The NGA will notify grantees of any NHPA requirements that may impact their CIP projects. Those grantees and their authorized representatives will be authorized to initiate the section 106 process directly with the SHPO. If the proposed project is on Tribal lands, grantees will need to contact the HRSA regarding consultations with the THPO.

The grantee must provide a finding to the SHPO showing that:

1. The property is not historic; or
2. The property is historic, with the project causing no potential adverse effects; or
3. The property is historic and the project may cause adverse effects and provide a resolution to the adverse effects.

The SHPO will then either concur or disagree with the finding. If there is a disagreement that cannot be resolved after consultation, HRSA will request that the President's Advisory Council on Historic Preservation (ACHP)⁸ review the finding.

If it is determined, after consulting with the SHPO, that the project may affect a historic property, the grantee must publish a notice in the largest newspaper in the area describing the project and contact local interest groups requesting comments. The grantee must send a copy of the notices and any comments to the SHPO and HRSA. The grantee must also address how it proposes to resolve the issue(s).

Early coordination with the SHPOs, and notification and involvement of applicable stakeholders, will assist grantees in completing section 106 reviews in a timely manner. CIP funds may be used to hire consultants to complete the grantee's section 106 and other related historic preservation responsibilities. A grantee should discuss with the SHPO whether to hire a consultant to assist with the section 106 review. In most cases, it would be advantageous to the grantee. The SHPO should have a list of qualified consultants in the area. When consulting with SHPOs, the grantee should identify the organization they are representing, include an appropriate contact person within the organization, and describe the undertaking that requires the section 106 review.

Until the grantee reviews the project with the SHPO, it is assumed that alteration/repair/renovation or construction of structures may potentially impact cultural and historic properties. For SHPO information, see <http://www.ncshpo.org/stateinfolist/fulllist.htm>.

Where HRSA determines that the construction or renovation of a facility receiving HRSA funds will have an adverse effect on an historic property, HRSA will enter into the consultation process and assist the grantee in developing a Memorandum of Agreement (MOA) that outlines the agreed upon mitigation measures with the SHPO and the ACHP (if it decides to participate).

In cases where the consultation is terminated without an agreement between the grantee and SHPO to resolve adverse effects, the HRSA will consult with the ACHP.

⁸ For additional information, please see <http://www.achp.gov>.

CIP Project funds may not be expended until HRSA receives documentation of the SHPO/THPO concurrence with finding 1 or 2 above (the property is not historic; or the property is historic, with the project causing no potential adverse effects) or a fully executed MOA finalized by all parties.

13. SUBMISSION DATES AND TIMES

Submission of the CIP proposal will be completed through HRSA's EHB system. The due date for submission of proposals is **month day, 2009 at 8:00 P.M. ET**. Submissions will be considered as meeting the deadline if they are electronically marked on or before the due date.

14. REPORTING

Grantees must continue to comply with the usual and customary reporting requirements of the Health Center Program, in addition to specific Recovery Act reporting. Recipients of Recovery Act funding will be required to provide periodic reports to ensure that funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated. Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act.

Health center grantees will be required to provide periodic reports on the impact of CIP grant funding including:

1. Number of new/improved sites
2. Projected number of health center jobs created and retained
3. Projected number of construction-related jobs created
4. Project completion status (% complete)
5. Actual versus projected budget information—uses of CIP grant funds

Generally, as required by the Recovery Act, recipients are required to report the following information to the Federal agency providing the award 10 days after the end of each calendar quarter; submission dates will be July 10, October 10, January 10, and April 10. These reports will include the following data elements, as prescribed by the Recovery Act:

1. The total amount of Recovery Act funds.
2. The amount of Recovery Act funds received that were obligated and expended to projects or activities. This reporting will also include unobligated allotment balances to facilitate reconciliations.
3. A detailed list of all projects or activities for which Recovery Act funds were obligated and expended, including
 - a. The name of the project or activity;
 - b. A description of the project or activity;
 - c. An evaluation of the completion status of the project or activity;
 - d. An estimate of the number of jobs created and the number of jobs retained by the project or activity.
4. Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.

15. AGENCY CONTACTS

Type of Assistance Needed	Please Contact
Business, administrative, or fiscal issues related to this announcement	Health Resources and Services Administration Office of Federal Assistance Management Division of Grants Management Operations Neal Meyerson, Telephone: 301-443-5906; Email: NMeyerson@hrsa.gov LaShawna Smith, Telephone: 301-443-4241; Email: LSmith3@hrsa.gov
Program issues	Health Resources and Services Administration Bureau of Primary Health Care Office of Policy and Program Development Marie Legaspi, Telephone: 301-594-4319 Meghan Ochal, Telephone: 301-594-2096 Email: BPHCRecovery@hrsa.gov
Electronic submission issues	BPHC Help Desk —UDS electronic reporting questions BHCMISYS@hrsa.gov or 1-301-443-7356 HRSA Call Center —EHB accounts and user access questions CallCenter@hrsa.gov or 1-877-464-4772

Appendix 1

PROJECT TYPES

The table below identifies and defines the various types of projects eligible for support under CIP grant funding.

PROJECT TYPES	DEFINITION	EXAMPLES
Alteration/repair/renovation (existing facility)	<ul style="list-style-type: none"> - Work required to change the interior arrangements or other physical characteristics of an existing facility or installed equipment (does not increase square footage) - May also include equipment purchase 	<ul style="list-style-type: none"> - Renovation of medical exam rooms - Installation of built-in sterilizers - Installation of uninterruptible power supply
Construction (new site, or expansion of existing site)	<ul style="list-style-type: none"> - Adding a new structure to an existing site that increases the total square footage of the facility - Adding structure to real property (i.e., land) - May also include equipment purchase 	<ul style="list-style-type: none"> - Addition of a new wing to the health center - Building a new facility at a new site
IT/Equipment purchase	<ul style="list-style-type: none"> - Is an article of tangible nonexpendable personal property that has a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit or the capitalization threshold established by the recipient, whichever is less - For the purpose of the CIP grant, this type of project includes nonexpendable supplies costing less than \$5,000 (e.g., personal computer) 	<ul style="list-style-type: none"> - Purchase of generator - Purchase of computers - Telecommunication system upgrades - Upgrade or purchase of mobile van - Purchase of dental x-ray equipment - Practice management system enhancements - Examples of related personal property: elevator, HVAC - Example of non-related personal property: medical equipment
HIT purchase	Includes hardware, software, integrated technologies or related licenses, intellectual property, upgrades, or packaged solutions sold as services that are designed for or support the use by health care entities or patients for the electronic creation, maintenance, access, or exchange of health information.	<ul style="list-style-type: none"> - Telehealth-related equipment - Registries - Electronic prescribing - Enhancements necessary to interface between HIT/EHR and other electronic systems
EHR-related purchase	This term refers to computer software that providers use to track all aspects of patient care. For CIP, allowable costs include pre-implementation and readiness, software, infrastructure/clinical facility, data center infrastructure, and implementation staffing.	<ul style="list-style-type: none"> - Certified EHR software costs: EHR application costs, maintenance, computer-based training - Infrastructure clinical facility costs: wireless LAN infrastructure, LAN switches, tablets, desktop PCs, cameras, printers - Data infrastructure costs: servers, routers, switches, back-up software, fire suppression, cooling/HVAC, physical security, power upgrades - Implementation staffing: core team training, vendor project management, data migration, paper chart conversion, CIO, network administration

Appendix 2

SAMPLE NOTICE OF FEDERAL INTEREST

On *insert date*, the Health Resources and Services Administration’s Bureau of Primary Health Care awarded Grant No. _____ to *insert name of recipient*. The grant provides Federal funds for *describe purpose of grant, e.g., construction, alteration/repair/renovation**, which is located on the property described below in _____ County, State of _____:

(GRANTEE INSERT LEGAL DESCRIPTION OF PROPERTY)

The Notice of Award for this grant includes conditions on use of the aforementioned property and provides for a continuing Federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of the Office of Federal Assistance Management (OFAM), Health Resources and Services Administration (HRSA), or designee; or (3) sold or transferred to another party without the written permission of Office of Federal Assistance Management (OFAM), Health Resources and Services Administration (HRSA), or designee, or its designee. These conditions are in accordance with the statutory provisions set forth in the American Recovery and Reinvestment Act, Title 45 CFR part 74 or 92 (as appropriate), the HHS Grants Policy Statement, and other terms and conditions of award.

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be provided to the Associate Administrator, Office of Federal Assistance Management (OFAM), Health Resources and Services Administration (HRSA), or designee.

Signature: _____

Typed Name: _____

Title: _____

Date: _____

*** Description should include specificity to determine if the Federal Interest applies to the land, building, or part thereof. Street or campus address should be included whenever possible.**

Appendix 3

SF-424C BUDGET INFORMATION—CONSTRUCTION PROGRAMS

1. Instructions for Completing SF-424C

Please complete the Budget Information—Construction Programs (SF-424C) for each type of project. Note that equipment-only projects are considered construction for application purposes; therefore, **all project types must use this form**. Do NOT use the non-construction forms, SF-424A and SF-424B.

Column A—Total Cost: Indicate the total cost of the project as defined for each individual CIP project. For all CIP projects, the entire cost of the project should be shown in this column.

Column B—Costs Not Allowable for Participation: Only costs defined as non-allowable in the chart below should be entered in Column B. For example, contingency costs exceeding the 5% limit must be entered in Column B; however, most applications will have no costs entered in column B. Do not include costs in Column B merely to reduce Column C to the award amount. CIP funds may not be used to cover these costs.

Column C—Total Allowable Costs: Subtract Column B from Column A.

CIP grant funds can not exceed the amount in line 16 (columns A and C). Grantees will be entering the portion of the CIP grant to be allocated to each project in line 17 C. The entry in line 17 (A/B) is a calculated field based on the Federal share percentage. The percentage is restricted to whole numbers (no decimals).

2. Allowable and Unallowable Costs

The chart below lists the allowable and unallowable costs for CIP grants.

	ALLOWABLE COSTS	UNALLOWABLE COSTS
Line 1—Administrative and legal expenses	<ul style="list-style-type: none"> - NEPA analysis and costs associated with evaluation of the environmental effects of proposed activities and producing the Environmental Assessment; - Salary of grantee’s staff and consultant fees that are directly related to the administration of the technical aspects of the proposed project. Generally, administrative and legal expenses should be less than 10% of total project costs; - Costs of obtaining required data for the environmental analysis report; and - Bonding and insurance costs. 	<ul style="list-style-type: none"> - Operating costs (e.g., funding direct services, clinical full-time equivalents, rent, mortgage payments, refinanced credit facilities); - Salary of grantee’s staff and consultant fees that are not related to the administration of the technical aspects of the proposed project; - Bonus payments to construction contractors; - Costs of groundbreaking and dedication ceremonies and items such as plaques; - Indirect expenses such as general department operations and maintenance; - Expendable office, medical, and laboratory supplies; - Fund-raising expenses; and

	ALLOWABLE COSTS	UNALLOWABLE COSTS
		<ul style="list-style-type: none"> - Supplantation of HRSA funds that have been allocated for EHR/HIT (i.e., other HRSA grants that have been awarded to health center controlled networks for EHR or HIT adoption).
Line 2—Land, structures, right-of-way, appraisals, etc.		<ul style="list-style-type: none"> - Land or the cost of purchasing a building.
Line 3—Relocation expenses and payments	<ul style="list-style-type: none"> - Relocation payments to be made to displaced persons, business concerns, and nonprofit organizations for moving expenses and replacement housing; and - Relocation advisory assistance and the net amounts for replacement (last resort) housing. This line is limited to approved grantees whose project involves the displacement of persons and businesses that must comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.), 84 Stat.1894, and 49 CFR Part 24. 	<ul style="list-style-type: none"> - The cost of relocating the grantee’s office.
Line 4—Architectural and engineering fees	<ul style="list-style-type: none"> - Fees associated with architectural and engineering professional services; - Associated expenses for preparation of specifications and reproduction of design documents; and - For construction projects, costs incurred before an award for architect’s fees and consultant’s fees necessary to the planning and design of the project if the project is approved and funded. 	<ul style="list-style-type: none"> - Architectural and engineering fees for work that is not within the scope of the approved project; - Costs of abandoned designs (costs associated with a design that will not be used to construct the building); and - Elaborate or extravagant designs, materials, or projects that are above the known local costs for comparable buildings.
Line 5—Other architectural and engineering fees	<ul style="list-style-type: none"> - Other architectural and engineering services, such as surveys, tests, and borings; and - Preliminary expenses associated with the approved award. 	
Line 6—Project inspection fees	<ul style="list-style-type: none"> - Clerk-of-the-works, inspection fees, structural certification, etc., to be provided by architectural engineering firm or the grantee’s staff. 	<ul style="list-style-type: none"> - Fees not associated with the requested project.
Line 7—Site work	<ul style="list-style-type: none"> - See line 9. 	<ul style="list-style-type: none"> - Costs associated with the development of land where the primary purpose of the award is land improvement.
Line 8—Demolition and removal	<ul style="list-style-type: none"> - Costs of demolition or removal of structures or improvements. Reduce the costs on this line by the amount of expected proceeds from the sale of salvage. 	<ul style="list-style-type: none"> - Costs not associated with the requested award.

	ALLOWABLE COSTS	UNALLOWABLE COSTS
<p>Line 9—Construction</p>	<ul style="list-style-type: none"> - Costs of fixed equipment necessary for the functioning of the facility. FIXED EQUIPMENT is equipment that requires modification of the facility for its satisfactory installation or removal and is included in the construction contract. Examples include: fume hoods, linear accelerator, laboratory casework, sinks, fixed shelving, built-in sterilizers, built-in refrigerators, and drinking fountains; - Costs of constructing new building(s) to be used for the program. This includes costs of materials and labor within the local range of comparable buildings; - Construction costs for expanding, remodeling, alteration, and renovating existing buildings, which will be used for the program; - Sanitary sewer, storm sewer, and portable water connections, providing that such municipal utilities are located in streets, roads, and alleys contiguous to the site; - Costs of connecting to existing central utility distribution systems contiguous to the site, such as steam and chilled water that service a campus from centrally located boiler and refrigeration plants. Prorated costs for new boilers and chillers to serve the proposed facility are acceptable; - Site clearance, grading, land improvement costs, including reasonable costs for landscaping, sidewalks, drives, and parking areas which are located on the site and are essential for the use and operation of an approved project. - Reasonable landscaping costs for seeding and sodding; - Special features for earthquake resistance code requirements. Use nationally recognized codes adopted by authorities having jurisdiction; - Costs of eliminating architectural barriers to the handicapped; and - Costs of pollution-control equipment for the facility’s boilers, incinerators, waste water treatment, etc., which may be required by local, State, or Federal regulations. The facility must meet re- 	<ul style="list-style-type: none"> - Relocation of utilities that are off site and off-site improvements; - Prorated cost of existing central utility plant and distribution systems, which serve the proposed facility; - Works of art; - Construction of casino or other gambling establishment, aquarium, zoo, golf course, swimming pool; and - Fixed equipment if it is not part of the construction contract.

	ALLOWABLE COSTS	UNALLOWABLE COSTS
	quirements of both current and future pollution abatement regulations as described in currently approved pollution plans.	
Line 10—Equipment	<ul style="list-style-type: none"> - Equipment that is pertinent to health center operations and serves an identified user group; - Tangible personal property (i.e., moveable equipment); and - Real property that is permanently attached to the building. 	<ul style="list-style-type: none"> - Donated equipment, leased equipment, or equipment purchased through a conditional sales contract (lease purchasing); and - EHR systems that are not certified by an organization recognized by the Secretary of HHS.
Line 11—Miscellaneous	<ul style="list-style-type: none"> - Certain items of supply that individually have a useful life of more than 1 year but generally do not have an acquisition cost greater than \$5,000. - Enter amounts for items not specifically mentioned above that are directly related to the project. If line 11c is more than 10% of line 16c (total cost), the grantee must explain what this line consists of in the Budget Narrative section; and - The cost of alternate bid work up to the amount of the original bid submitted. 	<ul style="list-style-type: none"> - Costs incurred prior to February 17, 2009; - Additional expenses resulting from the rejection of an alternate bid at the start of construction and later reinstating the bid at an increased cost due to escalation; and - Sales taxes, Federal excise taxes, and other taxes when the grantee is exempt from such taxes or is entitled to a refund by the State or Federal Government after payment.
Line 12—SUBTOTAL	The sum of lines 1 through 11	
Line 13—Contingencies	<ul style="list-style-type: none"> - The contingency of this program is limited to 5% of line 9c and line 10c. However, if the facility has already been awarded a construction contract, the contingency is limited to 2% of the construction line. If equipment is already purchased, there is no contingency for that line. 	-
Line 14—SUBTOTAL	The sum of lines 12 and 13	
Line 15—Project (program) income		- This is not applicable to this program.
Line 16—TOTAL PROJECT COSTS	Enter the amount in line 14	
Line 17	Enter the portion of your CIP grant that you are allocating to this project (Note: please round to the nearest whole dollar amount)	

3. Budget Examples

Please look over the next two pages for examples of completed SF-424C budget forms.

SF-424C Budget Example #1: Budget Includes Costs Not Allowable For Participation

OMB Approval No. 0348-0041

BUDGET INFORMATION—Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Column a- b)
1. Administrative and legal expenses	\$ 21000.00	\$ (1) 500.00	\$ 20500.00
2. Land, structures, rights-of-way, appraisals, etc.	\$ 38000.00	\$ (2) 38000.00	\$ 0.00
3. Relocation expenses and payments	\$.00	\$.00	\$.00
4. Architectural and engineering fees	\$ 12000.00	\$ (3) 4000.00	\$ 8000.00
5. Other architectural and engineering fees	\$.00	\$.00	\$.00
6. Project inspection fees	\$ 2000.00	\$.00	\$ 2000.00
7. Site work	\$.00	\$.00	\$.00
8. Demolition and removal	\$ 9000.00	\$.00	\$ 9000.00
9. Construction	\$ 200000.00	\$.00	\$ 200000.00
10. Equipment	\$ 35000.00	\$.00	\$ 35000.00
11. Miscellaneous	\$ 10000.00	\$.00	\$ 10000.00
12. SUBTOTAL (sum of lines 1- 11)	\$ 327000.00	\$ 42500.00	\$ 284500.00
13. Contingencies	\$ 17250.00	\$ (4) 5500.00	\$ 11750.00
14. SUBTOTAL	\$ 344250.00	\$ 48000.00	\$ 296250.00
15. Project (program) income	\$.00	\$.00	\$.00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 344250.00	\$ 48000.00	\$ 296250.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share). Enter the resulting Federal share. Enter eligible costs from line 16c Multiply X (include decimal point in number)			\$ 248850.00
_____ 84%			

Standard Form 424C (Rev. 7-97); Prescribed by OMB Circular A-102

Ineligible Examples Included in the Budget Sample Above

1. Bonus payment to contractor
2. Land purchase
3. Cost of abandoned designs
4. Maximum contingency of 5% allowed on lines 9 (if new construction) and 10 (equipment)

SF-424C Budget Example #2: Equipment Only (No Construction Proposed)

OMB Approval No. 0348-0041

BUDGET INFORMATION—Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Column a- b)
1. Administrative and legal expenses	\$	\$	\$
2. Land, structures, rights-of-way, appraisals, etc.	\$.00	\$.00	\$.00
3. Relocation expenses and payments	\$.00	\$.00	\$.00
4. Architectural and engineering fees	\$.00	\$.00	\$.00
5. Other architectural and engineering fees	\$.00	\$.00	\$.00
6. Project inspection fees	\$.00	\$.00	\$.00
7. Site work	\$.00	\$.00	\$.00
8. Demolition and removal	\$.00	\$.00	\$.00
9. Construction	\$.00	\$.00	\$.00
10. Equipment	\$ 2787000.00	\$.00	\$ 2787000.00
11. Miscellaneous	\$.00	\$.00	\$.00
12. SUBTOTAL (sum of lines 1- 11)	\$ 2787000.00	\$.00	\$ 2787000.00
13. Contingencies	\$.00	\$.00	\$.00
14. SUBTOTAL	\$ 2787000.00	\$.00	\$ 2787000.00
15. Project (program) income	\$.00	\$.00	\$.00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 2787000.00	\$.00	\$ 2787000.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share). Enter the resulting Federal share. Enter eligible costs from line 16c Multiply X (include decimal point in number)			\$ 1811550.00
_____ 65%			

Standard Form 424C (Rev. 7-97); Prescribed by OMB Circular A-102

Appendix 4

Health Resources and Services Administration Environmental Information and Documentation (EID)

The National Environmental Policy Act of 1969 (NEPA), 42 USC 4321 (P.L. 91-190, Sec. 2, Jan. 1, 1970, 83 Stat. 852), and Executive Order 11514, require Federal agencies to assess the environmental impacts of major Federal actions, including construction projects supported in whole or in part through Federal contracts, grants, subsidies, loans, or other forms of funding assistance.

Performing environmental reviews in compliance with the requirements of the National Environmental Policy Act is an eligible CIP grant cost. It is strongly recommended that the checklist and any further required environmental documentation be completed by a person with the proper background and expertise in environmental compliance.

If there are any Federal, State, or local Environmental Assessments or Environmental Impact Statements that have been completed by another Federal Agency, grantees can forward them to the Bureau of Primary Health Care’s Office of Policy and Program Development (OPPD). Because environmental documentation may be extensive, please contact OPPD by email at BPHCRecovery@hrsa.gov to discuss how to submit this information.

It is recommended that the preparer of this document have experience or background with environmental compliance.

CIP Project Title:
CIP Project Number:

Grantee Name:

Grantee Authorized Official:
Phone:
Email:

Grantee EID Preparer:
Phone:
Email:
Address:

For the following series of questions, consider each question, and for each affirmative response, describe the impact and any mitigating actions to be taken.

Note: A “Yes” or “No” response is required for every question. Answer each item completely with adequate supporting information to justify your response. Depending on the context and intensity of the response to the questions listed below, an Environmental Assessment may be required.

Where possible, note sources and attach supporting information for your responses in the Description column. Explain any mitigation to be implemented.

A. USE OF NATURAL RESOURCES

This set of criteria is concerned with the use and accessibility of nonrenewable natural resources such as land, minerals, and fuels as well as the flow resources (water and air) which are constantly renewed but in which short-term or local shortages might occur.

Criteria	Impact (Yes/ No)	Description of Environmental Impact (if applicable)
1)		Is there a controversy with respect to environmental effects of the action based on reasonable and substantial issues? (Y/N) If yes, explain:
2)		Will the action <i>not comply</i> with local and State land use planning requirements? (Y/N) If yes, explain:
3)		Is the action significantly greater in scope than normal for the area, or will it have significant unusual characteristics? (Y/N) If yes, explain:
4)		Will the action change traditional use of the land parcel (by rezoning, etc.)? (Y/N) If yes, complete the following: Present Zoning: _____ Present Use of Site: _____ Proposed Zoning: _____
5)		Will the action involve the purchase, construction or lease of new facilities (including portable facilities and trailers), or substantially increase the capacity of an existing health care facility? (Y/N) If yes, explain:
6)		Will the action alter the use of other land by related development of stores, roads or site changes? (Y/N) If yes, explain: a) Generate new stores? (Y/N) If yes, explain: b) Cause new roads? (Y/N) If yes, explain: c) Cause new parking? (Y/N) If yes, explain:
7)		Is the action located in either a 100-year or, for critical actions, a 500-year floodplain? (Y/N) Attach a Flood Insurance Rate Map (FIRM) to this document. Clearly mark the location of the facility, and the NFIP Panel Number. FIRMettes can be generated electronically at no cost at http://www.msc.fema.gov . The FIRMette module is located in the upper left hand corner, while the tutorial is at the lower right hand corner of the webpage. (If FIRMs do not exist for the project site, a floodplain survey or consultation may be required.)
8)		Will the proposed action adversely impact flood flows in a floodplain or support development in a floodplain? (Y/N) If yes, explain:
9)		Will the action include the use of wetlands (swamps, marshes, etc.)? (Y/N) If yes, explain:
10)		Will the action decrease the volume of water in a lake, river table, reservoir, etc.? (Y/N) If yes, explain:
11)		Will the action change traditional use of a body of water? (Y/N) If yes, explain:

- 12) Will the action violate a Section 404 (Clean Water Act) permit for actions in a wetland and/or Section 10 (Rivers and Harbors Act) permit for actions in a stream or river? (Activities in or near a wetland or river may require a permit from the U.S. Army Corps of Engineers or U.S. Coast Guard. Includes: construction in or near any wet or dry waterway, stream crossings, intake structures, outfalls, etc.) (Y/N) If yes, explain:

- 13) Will the action use land for purposes unsuitable to its physical characteristics? Consider these items: Soil borings have/have not been completed. Proposed facility will/will not have foundations similar to other facilities in the area. The facility is/is not in a floodplain. (Y/N) If yes, explain:

- 14) Will the action adversely impact a Wilderness Area (Wilderness Areas are specifically designated areas of land)? (Y/N) If yes, explain:

- 15) Will the action have significant adverse direct or indirect effects on park land, other public lands, or areas of recognized scenic or recreational value? (For example, consider how your activity will affect the view?) (Y/N) If yes, explain:

- 16) Will the action use land for purposes unsuitable to its physical characteristics? Consider these items: Soil borings have/have not been completed. Proposed facility will/will not have foundations similar to other facilities in the area. The facility is/is not in a flood plain. (Y/N) If yes, explain:

- 17) Will the action block access to known mineral deposits? (Sand, gravel, clay, stone, or other common building materials are not considered mineral deposits.) (Y/N) If yes, explain:

- 18) Will the action increase fuel and mineral consumption in State by more than 1% annually? (Y/N) Est. annual fuel requirements:
 _____ gallons of fuel
 _____ cubic feet of natural gas
 _____ tons of coal
 _____ kWh of electricity
 Expected source(s) of these fuels:

B. POLLUTION

This set of criteria concerns the processes that generate pollution. These include the introduction of pollutants into the environment, changes in the flow of energy through the environment, and changes in the composition of environments through the augmentation or deletion of substances that are naturally present. The criteria are also directly concerned with the production and one-time use of materials and the proper disposal of wastes.

Criteria	Impact (Yes/ No)	Description of Environmental Impact (if applicable)
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- 1) Will the action increase identifiable ambient air pollution levels from a new emission source or from existing sources? (Y/N) If yes, explain:

- 2) Will the action increase identifiable ambient air pollution levels through a major increase in the number of or use of automobiles, trucks, etc.? (Y/N) Approximate number of new employees: _____

- 3) Will the action exceed city or State health standards regarding exhausts from fume hoods? (Y/N) If yes, explain:
- 4) Will the action require major sedimentation and erosion control measures? (Consider earth disturbing activities including construction or expansion of a parking lot.) (Y/N) If yes, explain:
- 5) Will the action involve:
 - a) Dredging or swamp drainage? (Y/N) If yes, explain:
 - b) Construction of a waste treatment plant? (Y/N) If yes, describe capacity and location:
 - c) Discharge of untreated human waste directly into a lake, river, etc.? (Y/N) If yes, explain:
 - d) Discharge of laboratory wastes or biohazard wastes directly into a lake, river, etc.? If yes, describe:
- 6) Will the action overload existing waste treatment plants due to new loads (water volume, chemicals, toxicity, etc.)? (Y/N) If yes, please obtain and submit a connection permit or other approval from local sewer authority.
- 7) Will the action cause soil erosion (after completion of construction phase) or leaching of foreign substances (such as salt) into soil? (Y/N) If yes, explain:
- 8) Will the action allow seepage of contaminants into the water table? (Y/N) If yes, explain:
- 9) Will the action place stress upon an identified earthquake fault? (Y/N) If yes, please include a statement from a structural engineer.
- 10) Will the action create an identifiable change in aquatic life by discharge of hot water? (Y/N) If yes, explain:
- 11) Will the action impact an EPA designated sole source aquifer? (Designation of sole source aquifer puts restrictions and conditions on Federal expenditures, projects, and grants.) (Y/N) If yes, explain:
- 12) Will the action decrease the percolation on more than one acre of land? (Y/N) If yes, explain:
- 13) Will the action violate a storm water permit or a wastewater discharge permit either for construction or on-going operations? (Earth disturbing activities may require a Notice of Intent (NOI) to be covered under a storm water general permit or individual permit from the EPA or other agency and a storm water control plan, including some parking lot construction activities. A discharge of wastewater to the environment may require a permit from Tribal, local or State authorities, or EPA.) (Y/N) If yes, explain:
- 14) Will the action involve the sale or transfer of real property, on which any hazardous substance was stored for one year or more, known to have been released, or disposed of? (Provide relevant documentation for any hazardous substance releases. See 40 CFR 373.2(b), 302.4, and 261.30 for reportable quantities.) (Y/N) If yes, explain:

Consider the following statements prior to answering questions 17-19: Facility will/will not emit noises in excess of local noise standards. Is facility near a wildlife sanctuary? Are outdoor animal facilities included? Facility will/will not contain x-ray machines. Facility will/will not meet Atomic Energy Commission standards.

- 15) Will the action produce noises considered offensive to a human population? (Y/N) If yes, explain:
- 16) Will the action create sounds that result in changes in behavior patterns of animals? (Y/N) If yes, explain:
- 17) Will the action introduce major new sources of unshielded radiation? (Y/N) If yes, explain:
- 18) Will the action cause shock waves and/or vibration (after construction phase)? (Y/N) If yes, explain:
- 19) Will the action change the direction and wind velocity as to affect the local population (i.e., high-rise building)? (Y/N) If yes, explain:
- 20) Will the action cause a new, large volume of production of non-recycled items? (Y/N) If yes, explain:
- 21) Will the action result in the non-recycling of recyclable items such as laboratory glassware, animal cages, and office paper? (Y/N) If yes, explain:
 If no, indicate number of:
 Glassware-washing machines: _____
 Cage-washing machines: _____
- 22) Will the action generate solid wastes that cannot be properly disposed of by existing facilities? (Y/N) If yes, describe proposed methods and disposal sites.
- 23) Will the action dispose of solid wastes in polluting landfills, wells, caves, etc.? (Y/N) If yes, explain:
- 24) Will the action require storage of waste pending technology for safe disposal? (Y/N) If yes, explain:
- 25) Will the action not comply with Federal, State, and local requirements for waste handling, transportation, or disposal methods? (Y/N) If yes, describe proposed methods:

C. POPULATIONS

This section of the initial criteria addresses changes in human and plant populations. NOTE: For these criteria, the affected area is defined as being greater than 160 acres in size.

Criteria	Impact (Yes/ No)	Description of Environmental Impact (if applicable)
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- | | | |
|--|--|--|
| 1) Will the action result in a 5% change in the density of the local population? (Y/N) If yes:
Est. local population: _____
Number of new employees: _____ | | |
|--|--|--|

- 2) Will the action result in an alteration of transportation, health, education, and/or welfare service? (Y/N) If yes, explain:
- 3) Will the action result in a change in social service needs by altering population’s age pattern (new schools, etc.)? (Y/N) If yes, explain:
- 4) Will the action result in a 5% change in the transient population? (Y/N) If yes, include estimated number of:
 Visitors: _____
 Patients: _____
 Students: _____
- 5) Will the action result in changes in genetic engineering directed at the human population? (Y/N) If yes, explain:
- 6) Will the action result in a violation of local, State, or Federal standards pertaining to population densities or conservation of plants and animals? (Y/N) If yes, explain. Also describe any approvals needed or submit those already obtained:

D. HUMAN SERVICES

As society has evolved, traditional self-sufficient human communities have given way to dense populations that depend upon the development and application of technology. Man’s highly complex, technological environments are maintained by a variety of services, ranging from the provision of the basic necessities of food and water to complex systems of economic exchange. These services are largely interdependent, and their complexities must be considered. NOTE: In this section, the human environment impacted upon is defined as less than 160 acres in size.

Criteria	Impact (Yes/ No)	Description of Environmental Impact (if applicable)
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- 1) Could the action disrupt food supplies for over 48 hours? (Y/N) If yes, explain:
- 2) Could the action disrupt water supplies for over 48 hours? (Y/N) If yes, explain:
- 3) Could the action disrupt electrical power for over 48 hours? (Y/N) If yes, explain:
- 4) Could the action disrupt heating supplies (natural gas, heating oil) for over 48 hours? (Y/N) If yes, explain:
- 5) Could the action deprive population of housing for over 48 hours? (Y/N) If yes, explain:
- 6) Could the action disrupt removal of sewage for over 12 hours? (Y/N) If yes, explain:
- 7) Could the action disrupt removal of solid waste (trash) for over 7 days? (Y/N) If yes, explain:

- 8) Could the action disrupt existing health services' response in case of a disaster? (Y/N) If yes, explain:
- 9) Could the action disrupt telephone, telegraph, radio, or mail service for over 2 weeks? (Y/N) If yes, explain:
- 10) Could the action disrupt transit service for over 2 weeks? (Y/N) If yes, explain:
- 11) Will the action use more than 5% of remaining electrical capacity? (Will the project require electrical up-grades?) (Y/N) If yes: Estimated daily usage is ____ kWh. Please obtain and submit an approval letter from local utility or plant engineer.
- 12) Will the action use more than 5% of remaining water? (Y/N) If yes: Estimated daily usage is ____ gallons. Please obtain and submit an approval letter from local utility or plant engineer.
- 13) Will the action use more than 5% of available capacity of the sewage treatment system (branch lines, mains, plants)? (Y/N) Estimated daily flow is ____ gallons. Please obtain and submit an approval letter from local utility.
- 14) Will the action use more than 5% of available capacity of trash disposal system (collection, incinerator plant, landfill)? Also clearly explain proposed handling and disposal of chemical wastes, biohazards, syringes, and other special wastes. (Y/N) If yes, explain:
- 15) Will the action use more than 5% of available heating fuel (gas, coal or heating oil)? (Y/N) Annual quantities have already been described. Explain which of these fuels, if any, are in short supply.
- 16) Will the action decrease by 5% the food delivery system by removal of retail food stores etc.? (Y/N) If yes, explain:
- 17) Will the action decrease by 5% the area's domestic housing by demolition, closing, etc.? (Y/N) If yes, explain: Will any housing be demolished, closed, etc.?
- 18) Will the action decrease by more than 5% the use of existing transit systems (bus, train, etc.)? (Y/N) If yes, explain: Relate to extent of new employment.
- 19) Will the action decrease accessibility to routine health services by altering point-of-service delivery? (Y/N) If yes, explain:
- 20) Will the action increase by more than 5% the patient load of the area's routine care services? (Y/N) If yes, explain:
- 21) Will the action change the availability of social services by opening or closing facilities? (Y/N) If yes, explain:

- 22) Will the action increase by more than 5% the number of social services recipients (through unemployment)? (Y/N) If yes, explain:
- 23) Will the action cause discontinuation of existing stops or train stations? (Y/N) If yes, explain:
- 24) Will the action increase by more than 5% the annual volume of telephone, telegraph, or mail? (Y/N) If yes, explain:
- 25) Will the action eliminate employment sources for 10% of the population? (Y/N) If yes, explain:
- 26) Will the action change school enrollment by more than 5%? (Y/N) If yes, explain:

E. HUMAN VALUES

The fifth set of criteria is directed toward human values concerning the environmental qualities generally agreed upon to the extent that they are stated in statutes, standards, or regulations.

Criteria	Impact (Yes/ No)	Description of Environmental Impact (if applicable)
1)	Will the action involve the purchase, construction, alteration, renovation, or lease of real property or portion of real property that is more that 50 years old? Will the action encroach upon any historical, architectural, or archeological cultural property? Will the proposed action adversely affect properties listed, or eligible for listing, on the National Register of Historic Places? [Buildings, archaeological sites, National Historic Landmarks; objects of significance to a Tribe including graves, funerary objects, and traditional cultural properties.] (Y/N) If yes, explain: <u>Obtain and submit clearance letters from State Historic Preservation Officer. For assistance, consult with the State Historic Preservation Officer (SHPO) or the Tribal Historic Preservation Officer (THPO)]</u>	
2)	Will the action be likely to adversely affect a plant or animal species listed on the Federal or applicable State list of endangered or threatened species or a specific critical habitat of an endangered or threatened species? (Discovering an endangered or threatened species in the project area will stop the project, and the Endangered Species Act has significant fines and penalties for violations.) (Y/N) If yes, explain: <u>For assistance, consult with the State Historic Preservation Officer (SHPO) or the Tribal Historic Preservation Officer (THPO)</u>	
3)	Will the action convert significant agricultural lands to non-agricultural uses and exceed 160-point score on the farmland impact rating? (Y/N) If yes, explain:	
4)	Will the action directly affect a Coastal Zone in a manner inconsistent with the State Coastal Zone Management Plan? (All Federal programs or projects in the coastal zone must comply with the consistency provisions of the Act. Each coastal State should have a State office to manage its coastal zone development and use.) (Y/N) If yes, explain:	

- 5) Will the action adversely affect a wild, scenic, or recreational river area or create conditions inconsistent with the character of the river? (A consideration for activities that are in or near any wild and scenic waterway including construction of stream/river crossings, intake structures, outfalls, etc.) (Y/N) If yes, explain:

F. Mitigative Measures

Please discuss any mitigative measures undertaken to minimize any environmental impacts. For example, utilizing EPEAT or EnergyStar guidance as part of IT selection and purchase criteria, or incorporating Sustainable Design or Leadership in Energy and Environmental Design (LEED) standards into alteration/repair/renovation or new construction project.

**ENVIRONMENTAL INFORMATION AND DOCUMENTATION
CERTIFICATION**

I certify that to the best of my knowledge and ability the information presented herein is true and correct (enter appropriate information in the shaded blanks):

Signature	Title or Position	Phone Number	Date
(Grantee or responsible, knowledgeable person who completed this document)			

Signature	Title or Position	Phone Number	Date
(Grantee Authorized Representative)			

Appendix 5

EHR Readiness Checklist
(For CIP Certified EHR projects)

As a part of the CIP application process, grantees will answer the following pre-readiness questions for EHR-only purchases.

1. Why are you purchasing an certified EHR system?
Please check one:
 - Move from paper system to electronic
 - Reimbursement purposes, e.g., Medicare and Medicaid incentive payments
 - Clinical technology to achieve workflow efficiencies
 - Primarily as a technology to enable quality care improvement goals

2. Do you have organizational wide commitment from:
Check all that apply:
 - Leadership (CEO, COO, CMO, CFO)
 - Board Members
 - All Providers
 - IT Staff
 - Support Staff
 - Other; please identify: _____

3. Has your center identified business and clinical goals for adopting a certified EHR system?
 Yes No

4. Has your center identified a clinical champion and other staff to oversee the readiness process? Yes No

5. Have you used the EHR Selection Guidelines for Health Centers⁹ developed by HRSA to select the functionality for your certified EHR? Yes No

6. Have you considered the ongoing expenses required for a certified EHR system? Yes No

7. Are all key staff members willing to use computers in their daily work? Yes No

8. Do you have IT staff or access to a Health Center Controlled Network or IT consultant to provide support for troubleshooting your current and/or proposed IT/HIT infrastructure? Yes No

9. Do the exam rooms in your center have networked computers? Yes No

10. Does your center have a broadband/high speed internet connection? Yes No

⁹ See <http://www.hrsa.gov/healthit/ehrguidelines.htm> for more information.

Appendix 6

DEFINITIONS

Equipment: Is an article of tangible nonexpendable personal property that has a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit or the capitalization threshold established by the recipient, whichever is less (HHS Grants Policy). If the equipment is intended to be “fixed” rather than “movable,” it must be classified as “real property” (AAGAM). Real property is defined as land, including land improvements, structures, and appurtenances but not movable machinery and equipment.

Health Information Technology (HIT): The term “health information technology” means hardware, software, integrated technologies or related licenses, intellectual property, upgrades, or packaged solutions sold as services that are designed for or support the use by health care entities or patients for the electronic creation, maintenance, access, or exchange of health information.

Information Technology (IT): Deals with the use of electronic [computers](#) and [computer software](#) to [convert](#), [store](#), [protect](#), [process](#), [transmit](#), and [securely retrieve information](#).

Leasehold Improvement: Leasehold improvement is an improvement on property acquired under a lease which reverts back to the lessor at the termination of the lease.

Telehealth: Often referred to as telemedicine, is the delivery of health-related services and information via telecommunications technologies in the support of patient care, administrative activities, and health education.