Vocational Nurse Scholarship Program (VNSP)

Grant Guide For Cycle Year 2026

Table of Contents

Purpose

This guide explains what the Vocational Nurse Scholarship Program (VNSP) is and what you need to do to apply. It includes step-by-step instructions for applicants and important rules that Awardees must follow to complete their service obligation. Everyone who applies must agree to and meet the program's requirements before they are awarded any funding. The Department of Health Care Access and Information (HCAI) does not allow exceptions to the terms listed in this guide.

Background and Mission

HCAI expands access to quality, equitable, affordable health care for all Californians by supporting high value delivery systems, resilient health facilities and workforces, and actionable health information and strategies.

VNSP is funded through a $5 surcharge for renewal and licensure fees of Vocational Nurses (LVNs) in California. The purpose of this program is to increase the number of appropriately trained LVNs providing direct patient care in underserved areas or qualified facilities throughout California.

Available Funding

Approximately $24,000 is available to support students enrolled in an eligible Vocational Nursing Program that prepares them to become a Vocational Nurse.

HCAI may award full, partial, or no funding to an applicant based on the applicant's success in meeting the selection criteria score and the amount of available funds. Competitive proposals will meet the program evaluation criteria and demonstrate a commitment to the program goals.

In the event there is additional funding available, HCAI has the discretion to make additional awards.

Eligibility Requirements

In exchange for a one-year service obligation to serve medically underserved areas and/or qualified facilities in California, eligible licensed vocational nursing students may receive a scholarship of up to **$4,000**. Awardees are expected to meet program requirements for the duration of the VNSP. Awardee is defined as an applicant who has been selected to receive the VNSP award and who has signed their Grant Agreement. Failure to comply with these requirements may lead to disqualification and termination from the program. Awardees may be considered in breach of their Grant Agreement if they are unable to comply with the stated terms of their agreement. If an Awardee does not meet the terms of their service obligations, they may be required to repay the award amount per this grant guide's Breach Policy.

To be eligible for a VNSP award, applicants must meet all of the following criteria:

- Begin class or training program by October 1, 2026
- Be enrolled in a minimum of six semester units, or its equivalent, until program completion
- Have a GPA of 2.0 or higher for most recent academic performance or equivalent

- Maintain a GPA of 2.0 or higher, until program completion
- Must graduate after March 31, 2027
- Not have any other existing service obligations with other entities, including other HCAI programs
- Not be in breach of any other HCAI service obligation
- Commit to a one year service obligation providing at least 32 hours per week of direct patient care in an underserved area or qualifying facility starting within six months of graduation
- Be a California resident
- Complete and submit an application using the Funding Portal by **3:00 p.m. on October 2, 2026**

Eligible Disciplines

Applicants currently accepted or enrolled in a certificate, diploma, or accredited Associate Degree Program leading to licensure as a Licensed Vocational Nurse can receive scholarship assistance through the VNSP program.

Eligible Practice Sites

An applicant must provide direct patient care in one of the following Eligible Geographic Locations or Approved Site Designations:

• California Nursing School	• Non-profit Medical Facility
• Children's Hospital	• Primary Care Shortage Area (PCSA)
• Correctional Facility	• Public School Facility
• County-Operated Health Facility	• Registered Nursing Shortage Area (RNSA)
• Critical Access Hospital	• Rural Health Clinic (RHC)
• Federally Qualified Health Center (FQHC)/FQHC Look-A-Like	• Skilled Nursing Facility
• Health Professional Shortage Area – Mental Health (HPSA-MH)	• State-Operated Health Facility
• Health Professional Shortage Area – Primary Care (HPSA-PC)	• Substance Use Facility (SUD)
• Medically Underserved Area (MUA)	• Veteran's Facility
• Native American Health Center (NAHC)	

NOTE: To be eligible while working for a temporary agency or management service company, the facility you provide direct patient care services in must be in one of the Eligible Geographic Locations or Approved Site Designations listed above.

NOTE: If you are providing services via telehealth, your employer must have a physical office or treatment facility in California, and it must be in one of the Eligible Geographic Locations or Approved Site Designations listed above.

Eligible Cost of Attendance (for one year)

To qualify for an award, you must indicate that you have costs associated with schooling. The Cost of Attendance (CoA) represents the total cost of attending your program for one year. The CoA may include the following expenses:

- Tuition and fees
- On-campus room and board (or housing and food allowance for off-campus students)
- Allowances for books, supplies, transportation, loan fees, and, if applicable, dependent care
- The document must include your school's name and indicate your current year in the program
- The CoA must reflect the costs associated for **one year only** and the total must be clearly indicated

Please Note: If the CoA covers more than one year, the application will be deemed ineligible. The CoA must be obtained by your school's website or financial aid office. Screenshots are acceptable.

Award Funding and Distribution

Approximately $24,000 is available statewide to support students enrolled in an eligible certificate, diploma, or accredited Associate Degree Nursing Program that prepares them to become a Licensed Vocational Nurse. In the event there is additional state funding available, HCAI has the discretion to make additional awards.

The maximum award amount for the Vocational Nurse Scholarship Program (VNSP) is **$4,000**. HCAI may award full, partial, or no funding to an applicant based on how well the applicant meets the selection criteria, and the availability of funds. Applicants cannot receive more than their total cost of attendance for **one year** of the program.

Payments will be made approximately 45 business days after the grant agreement has been executed. All payments will be issued by the State Controller's Office (SCO) via a paper check. Checks are mailed via USPS directly to the Awardee's mailing address on file. Direct deposit is not available.

Awardees may apply for an additional VNSP award for each year they remain eligible. For each award, the Awardee will be required to serve an additional one-year service obligation. To remain eligible, the applicants must continue enrollment in an eligible Vocational Nursing Program and meet all the other VNSP eligibility requirements.

A new application must be submitted for each award cycle to be considered for an award, as each service obligation requires a separate contract. Awards are not considered a continuation of a previous agreement. Applicants who are not selected for an award may apply for the next cycle.

Tax Information

Awardees are advised to consult with a tax advisor to address questions about whether this scholarship program is considered reportable/or taxable income. This information is not intended to provide tax or legal advice. Awardees with questions regarding the taxable/or reportable nature of this scholarship should consult a tax advisor.

NOTE: All scholarship Awardees will receive an IRS 1099 form for their scholarship award.

Service Obligation

Awardees must, within six months of graduating from an accredited college, career institution, or from a qualified program, provide full-time service in direct patient care for a term of at least one year at a qualified facility in California in an Eligible Discipline.

- **Full-Time Service:** Defined as a minimum of 32 hours per week spent providing Direct Patient Care (DPC).

- **Direct Patient Care:** This includes prevention, early intervention, assessment, treatment, counseling, procedures, self-care, patient education and documentation relating to patient encounters being treated for or suspected of having physical or mental illnesses. Direct patient care includes face-to-face care, telehealth-based preventative care and first-line supervision.

- **First-line Supervision:** The supervising staff who provide direct supervision over the staff who provide direct patient care.

Program Monitoring

HCAI requires the Awardee to begin performance of the service obligation on the start date listed on the Grant Agreement. If Awardee is unable to begin their Service Obligation on the start date of the Grant Agreement, their contract may result in an administrative breach. Work performed before the start of the agreement term will not count towards the service obligation requirements in the grant agreement.

Awardee Communication Requirements

Awardees must email their Program [VNSP@hcai.ca.gov] within these specified timeframes for any of the following reasons:

Immediately if you:

- Have any change in full-time status during your service obligation. This includes, but is not limited to:
    a. Decreasing DPC hours below 32 hours per week
    b. Termination
    c. Resignation
    d. Taking a leave of absence beyond the time allowed under “Practice Site Absences”

30 calendar days if you:

- Have any change in practice site.
- Change your name, mailing address, phone number and/or email address. Awardee's "Profile" page on the Funding Portal must also be updated to reflect this change.

90 calendar days if you:

- File a petition with HCAI for modification of the amount to be paid or repaid and/or the time of repayment regarding a potential breach of contract.

Practice Site Absences

Awardees may have up to four (4) weeks during the term of this agreement away from their VNSP approved practice site for vacation, holidays, continuing professional education, illness, or any other reason. HCAI will extend the Awardee's obligation end date for each day of absence over the allowable four (4) weeks.

Grant Agreement Deliverables

The Awardee shall:

- Within 30 days after graduating, sign in to the Funding Portal at (https://funding.hcai.ca.gov/) to download a Graduation Date Verification (GDV) form. After the form has been completed by the school's administrator or designated official, the GDV form must be uploaded and submitted through the Funding Portal for HCAI review/approval.

- Anytime there is a change in graduation date or school, a Scholarship Program Verification (SPV) form must be requested from the Program Officer. Once the school has completed the form, Awardee must email the SPV form to the Program Officer within 30 days of the change.

- Within six months of graduation, secure qualifying employment. Awardees may send the facility name and address of a potential employer to their Program Officer to verify if the proposed practice site qualifies. After the site has been approved, the Program Officer will set the Employment Verification Form (EVF) deliverable to available to download via the Funding Portal. After the EVF is completed by the facility's supervisor or HR representative, the Awardee must submit the completed form through the Funding Portal.

- Submit two (2) Progress Reports through the Funding Portal, during the one-year service obligation. The reporting schedule will be based on the date the Awardee begins employment at an approved practice site.

NOTE: This is the same process anytime there is a change in practice site.

Initiating an Application

The applicant is responsible for providing all necessary information required in the application and ensuring that the information contained in the application (and all supporting documentation) is accurate.

Applicants must register and submit all applications (including all required forms, documents, and/or attachments) via the Funding Portal (https://funding.hcai.ca.gov/). New applicants must first register as a Funding Portal user to access the application materials. Returning applicants must use their previous email and password to sign in. You may apply for more than one HCAI loan repayment or scholarship program at a time. However, if awarded, you may only accept one as you can only have one service obligation at a time.

Accessing the Application System

HCAI uses the Funding Portal to allow eligible students to submit applications. This Grant Guide contains information you need to complete and submit an application in the Funding Portal.

To access the Funding Portal, go to https://funding.hcai.ca.gov/. To ensure proper functionality in the Funding Portal, use Google Chrome or Microsoft Edge, as Internet Explorer is no longer supported. Using a Windows-based PC/laptop is recommended. We do not recommend accessing via smartphones, tablets, and/or iOS-based devices.

Technical Assistance

HCAI will provide a Technical Assistance Guide to assist you in completing and submitting an application. For information about the Technical Assistance Call (TAC) and other VNSP information, see https://hcai.ca.gov/workforce/financial-assistance/scholarships/vnsp/.

Evaluation and Scoring Procedures

HCAI has established an impartial process for scoring and evaluating applications. Each application is reviewed by HCAI staff to assess their eligibility per the established program criteria as outlined in “Attachment A: Evaluation and Scoring Criteria”. Applying does not guarantee you will be awarded.

Final awards include consideration of the following elements:

1. At the time of application closing, HCAI will check each application for the presence or absence of required information in conformance with submission requirements.

2. HCAI may reject applications that contain false, inaccurate or misleading information. All information included on any attachments must match the details entered into their online application. Incomplete and/or inconsistent/conflicting information will deem an application ineligible.

3. Priority in the award process will be given to applicants who have previously received awards under this program. HCAI will identify and award all eligible previously funded applicants first. After those awards are made, HCAI will evaluate the remaining applications using the scoring tool described in “Attachment A: Evaluation and Scoring Criteria” and will issue awards to the highest scoring applications. HCAI intends for this application to support multiple counties in California by providing a distribution of awards throughout the state of California. HCAI may give preference to applications seeking to support geographic regions not addressed by other similarly scored applications.

Award Process

HCAI will notify selected applicants after finalizing all award decisions. The award process time can vary depending on the number of applications received. HCAI will use DocuSign to send grant agreement documents to Awardees for review and signatures. Once the grant agreement is sent out via DocuSign, the Awardee will have seven (7) business days to accept their grant agreement, by signing the grant agreement, or to decline their grant agreement via DocuSign.

NOTE: Please ensure that you check your “Junk/Spam” folders for the Grant Agreement.

Contract Cancellation

Awardee may cancel their agreement without penalty, no later than 45 days before the end of the fiscal year (June 30) in which HCAI entered into the agreement. To request a cancellation of the agreement, the Awardee must:

1. Submit a written request via email with the reason for termination of the agreement.

2. Repay all amounts paid to the Awardee pursuant to the agreement. The Awardee shall make all repayments before the end of the fiscal year (June 30) in which the Awardee received payment from HCAI.

HCAI will close the contract, effective immediately. No penalties will be assessed on a cancellation and the Awardee will be allowed to apply again in the future. ***NOTE: Once the contract is administratively closed, this action cannot be reversed.***

Breach Policy

HCAI reserves the right to recover monies and/or penalties for the Awardee’s failure to perform the obligations set forth in the grant agreement. Refer to “Attachment B: Sample Grant Agreement” – “Section G: Breach” for detailed information.

Key Dates

The key dates for the cycle year are as follows:

Event	Date	Time
Application Available	September 1, 2026	3:00 p.m.
Application Submission Deadline	October 2, 2026	3:00 p.m.
Anticipated Award Notice Date	January 2027	N/A
Proposed Grant Agreement Start Date	February 28, 2027	N/A

Technical Assistance Call (TAC)

Applicants are encouraged to attend our TAC call during the application cycle to ask questions related to their application and/or program eligibility requirements.

For schedule details of any upcoming TAC call, please visit the VNSP webpage (https://hcai.ca.gov/workforce/financial-assistance/scholarships/vnsp/).

Resources

HCAI is committed to supporting Applicants and Awardees throughout the application and monitoring process of their service period. To achieve this goal, additional resource documentation has been provided below:

1. **Funding Eligibility Quiz**: Take the quiz to find out if you are eligible to apply for a HCAI Loan Repayment, Scholarship, or Grant.

2. **Grant Guide**: This document outlines the requirements, rules, and guidelines between HCAI and Awardees.

3. **Technical Assistance Guide**: Assist applicants and awardees with navigating the HCAI Funding Portal and submitting required deliverables.

Post Award and Payment Provisions

As an Awardee, HCAI may reach out to you periodically during and after your service obligation and ask you to complete a survey. Your participation is vital to our ability to demonstrate the effectiveness of programs such as this one and advocate for future funding to participants such as you. If you receive a survey from us, it will likely contain questions about your education/training status and employment. We hope that you will take the time to complete such surveys - typically not more than one or two per year and not for more than five (5) years after your service commitment concludes.

Contact Us

You can find answers to most questions in this grant guide. Further questions can be emailed to HCAI staff at VNSP@hcai.ca.gov. Please allow up to two business days for a response.

Attachment A: Evaluation and Scoring Criteria

Core Categories	Guidelines	Points
Languages Spoken	**20 points:** Speaks one or more listed languages fluently/well enough to be able to provide direct care services to clients. **0 points:** Does not speak more than one language.	**20 points max**
Medically Underserved Areas/Populations	How many years of experience do you have volunteering or working in a medically underserved area or with medically underserved populations in the United States or overseas? **15 Points:** 10+ years **10 points:** 6-9 years **5 points:** 1-5 years **2 points:** Less than 1 year **0 points:** No Experience	**15 points max**
Graduation Date	**20 points:** Must graduate after March 31, 2027 and before December 31, 2027. **0 points:** Graduation date is later than December 31, 2027.	**20 points max**
Economically Disadvantaged	Have you ever received an income-based financial aid award at any college or university where enrolled? **20 points:** Yes **0 points:** No	**20 points max**
Academic Performance	**10 points:** Student maintains a 3.0+ GPA **5 points:** Student maintains a 2.0 – 2.99 GPA	**10 points max**
Total Points		**85 points max**

Note: Priority in the award process will be given to applicants who have previously received awards in this program. In the case of a tie, preference is given to students with an earlier graduation date and/or attending a California school.

Attachment B: Sample Grant Agreement

GRANT AGREEMENT BETWEEN THE
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
AND
[AWARDEE NAME]
GRANT AGREEMENT NUMBER **[GRANT AGREEMENT NUMBER]**

THIS GRANT AGREEMENT ("Agreement") is entered into on **[GRANT START DATE]** by and between the State of California, Department of Health Care Access and Information (hereinafter "HCAI") and **[PROVIDER NAME]** (hereinafter "Awardee").

WHEREAS, HCAI supports healthcare accessibility through the promotion of a diverse and competent workforce while providing analysis of California's healthcare infrastructure and coordinating healthcare workforce issues.

WHEREAS, HCAI seeks to accomplish its mission by encouraging nurses to provide healthcare in underserved communities throughout California through the **[PROGRAM CYCLE NAME] (hereinafter "[PROGRAM ACRONYM]")**.

WHEREAS, the **[PROGRAM ACRONYM]** provides support to nursing students by providing scholarship incentives for healthcare educational programs.

WHEREAS, Awardee was selected by HCAI through duly adopted procedures to receive grant funds from **[PROGRAM ACRONYM]**.

NOW THEREFORE, HCAI and the Awardee, for the consideration and under the conditions hereinafter set forth, agree as follows:

A. Definitions

1. "Approved Practice Site" and/or "Practice Site" is a facility within a "Medically Underserved Area (MUA)" (as defined in California Code of Regulations, title 22, section 97700.35), meaning a geographic area designated by the Director which meets one of the following sets of criteria:

    a. A primary care "Health Professional Shortage Area - Primary Care (HPSA-PC)" as designated by the Secretary of the U.S. Department of Health and Human Services under the authority of section 254e of Title 42 of the United States Code Annotated.

    b. A facility determined by the Director to have a shortage of nursing personnel under section 128385 of the Health and Safety Code. **Bachelor of Science Nursing Scholarship Program (BSNSP) Only.**

c. “Health Professional Shortage Area - Mental Health (HPSA-MH)” means an area designated as such by the U.S. Department of Health and Human Services, Health Resources and Service Administration, Bureau of Health Professions’ Shortage Designation Branch.

d. A facility that is a California Nursing School (**Nursing programs only**), Children’s Hospital, Correctional Facility, County-Operated Health Facility, Critical Access Hospital, Federally Qualified Health Center (FQHC/FQHC Look-A-Like), Native American Health Center (NAHC), Public School Facility, Rural Health Clinic (RHC), Skilled Nursing Facilities, State-Operated Health Facility, Substance Use Facility (SUD), Veteran’s Facility, and/or Non-profit Facility.

2. “Awardee” means an applicant who was selected by HCAI to receive scholarship funds.

3. “Deputy Director” means the Deputy Director of Health Workforce Development or their designee.

4. “Direct Patient Care (DPC)” means the provision of health care services (this includes prevention, early intervention, assessment, treatment, counseling, procedures, self-care, patient education and documentation relating to patient encounters) provided directly to individuals being treated for or suspected of having physical or mental illnesses. Direct patient care includes both, face-to-face and telehealth-based preventative care and first-line supervision (those being supervised who are providing DPC).

5. “Employment Verification Form (EVF)” must be completed by your supervisor at your employment site to verify your employment, location, address, and hours.

6. “Full-Time Service” minimum of 32 hours per week providing DPC.

7. “Graduation Date Verification (GDV) form” must be completed by your school to verify your graduation date.

8. “Grant Agreement/Grant Number” means Grant Number **[GRANT AGREEMENT NUMBER]**, awarded to Awardee.

9. “Grant Funds” means the funds provided by HCAI to Awardee per this Agreement and under the **[PROGRAM ACRONYM]** for scholarship program assistance.

10. “Program” means the **[PROGRAM CYCLE NAME] [PROGRAM ACRONYM]**.

11. “Program Application” means the grant application electronically submitted by Awardee and approved by HCAI.

12. "Program Manager" means the HCAI manager responsible for the program.

13. "Program Officer" means the HCAI analyst that administers and oversees the loan repayment program and shall be the primary contact for the Awardee during their service obligation.

14. "Progress Report" means a report completed by the Awardee and signed by their employer, certifying the Awardees meeting their contractual obligation to provide a minimum of 32 hours of direct patient care per week at an approved practice site. Progress reports are due every six (6) months.

15. "Scholarship Program Verification (SPV) form" must be completed by your school when there is a change in your graduation date and/or school.

16. "State" means the State of California and includes all its Departments, Agencies, Committees and Commissions.

B. Term of the Agreement

This Agreement shall take effect on **[CONTRACT START DATE]** and shall terminate on **[CONTRACT END DATE]**.

C. Scope of Work

Awardee agrees to the following Scope of Work. In the event of a conflict between the provisions of this section and the Awardee's program Application, the provisions of this Scope of Work Section shall prevail:

The Awardee shall:

1. For the period of **[CONTRACT START DATE]** through **[CONTRACT END DATE]** be enrolled in an eligible health educational program with a minimum of six semester units, or its equivalent, maintain a 2.0 GPA or better in the educational program listed on the approved Program Application for the duration of the program until a degree/certification is conferred, and complete service obligation in a qualifying facility.

    a. Awardee may have up to four weeks during the Term of this Agreement away from their VNSP approved practice site for vacation, holidays, continuing professional education, illness, or any other reason.

    b. Should Awardee take more than four weeks as stated above and HCAI agrees to this, HCAI and Awardee agree to amend the term of this Agreement to extend the service obligation for each day of absence over the four weeks.

2. Within 30 days following graduation, submit a Graduation Date Verification (GDV) form certifying Awardee was in good standing and graduated from the educational program listed on the approved Program Application.

3. Within a six-month period following graduation from the educational program listed on the approved Program Application:

    a. Begin full-time (not less than 32 hours of direct patient care per week) in a qualified facility in California for a period of not less than one year.

    b. Provide proof of full-time employment to HCAI, including hire date, position, and hours worked per week. HCAI will provide forms as needed to Awardee.

    c. Provide a copy of licensure, registration, or certificate including the license number issued by the appropriate California licensing board and/or certifying organization, if requested.

4. Apply all Grant Funds to the qualifying educational expense(s) due to the Cost of Attendance listed on the approved Program Application, during the term of this Agreement. Work performed, and payments made before the Grant Agreement start date, will not count towards the requirements for the Grant Agreement. Failure to adhere to this provision is a material breach of this Agreement and will result in penalties as described below.

5. Notify HCAI, in writing, of any and all changes to name, mailing address, phone number, and e-mail address changes within 30 calendar days of the changes.

6. Notify HCAI within 30 calendar days of any change in the place of employment. HCAI will verify if the new place of employment is an Approved Practice Site. Awardees must contact their Program Officer (identified under Section L. HCAI and Awardee Contact Information) to verify the eligibility of a potential new employer before switching places of employment.

7. Submit to HCAI by required deadlines, as determined by HCAI, all requested information and documents during the duration of the term of this Agreement **[CONTRACT START DATE]** through **[CONTRACT END DATE]**. HCAI may request information to include, but not limited to Scholarship Program Verification forms, Graduation Date Verification forms, Employment Verification Forms, and Progress Reports.

8. Not have agreed to a contract with another entity to practice professionally for a period during the term of this Agreement in exchange for financial assistance, including tuition reimbursement, scholarships, loans, or a loan repayment. Awardee shall be ineligible to receive a scholarship under this Agreement until the conflicting obligation to this other entity has been fulfilled. The “Public Service Loan Forgiveness Program” is not considered a service obligation.

9. HCAI intends to evaluate the effectiveness of this Program through periodic surveys of participants. Awardee hereby acknowledges that HCAI will contact Awardee during obligation completion and the immediate five (5) years after the service obligation concludes for Program evaluation purposes.

D. Payment Provisions and Reporting Requirements

1. HCAI shall make **one** payment of Grant Funds within the Service Term, from **[CONTRACT START DATE]** to **[CONTRACT END DATE]**, payable directly to the Awardee. HCAI reserves the right to change payment provisions within the Agreement term, if needed.

2. Payments will be made in accordance with, and within the time specified in, Government Code, Title 1, Division 3.6, Part 3, Chapter 4.5, commencing with Section 927.

3. Service obligations will be monitored via the regular submission of progress reports by the Awardee on a bi-annual basis. HCAI reserves the right to increase or decrease the number of progress reports required to be submitted within the Agreement term, if needed. Nothing in this Agreement relieves the Awardee of the primary responsibility to repay the educational debts listed in the approved program application. HCAI shall issue payment directly to the Awardee approximately 45 business days after the contract has been executed.

4. The total obligation of HCAI under this Agreement shall be **$[AWARD AMOUNT]** to the Awardee and shall be payable as follows, **$[PAYMENT]** will be made within 45 business days after this Grant Agreement is executed on **[GRANT AGREEMENT START DATE]**.

E. Tax Implications on Award

HCAI does not provide tax advice and this section may not be construed as tax advice from HCAI. Awardee should seek advice from an independent tax consultant regarding the financial implication(s) of any funds received from HCAI. HCAI does not withhold taxes from payments to Awardees. Those awarded will be issued an IRS 1099 form, by the State Controllers Office, for this Agreement.

F. Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be void. In this event, HCAI shall have no liability to pay any funds whatsoever to the Awardee to furnish any other considerations under this Agreement and Awardee shall not be obligated to perform any provisions of this Agreement.

2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of the Program, HCAI shall have the option to either cancel this Agreement with no liability occurring to HCAI or offer an Agreement amendment to Awardee to reflect the reduced amount.

3. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this Program. In addition, this Agreement is subject to any additional statute, restriction, limitation, or condition enacted by Congress or the Executive Branch of the United States Government which may affect the provisions, terms, or funding of this Agreement in any manner.

4. It is mutually agreed that if the US Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

5. HCAI has the option to invalidate the Agreement under the 30-day cancellation clause or to amend this Agreement to reflect any reduction of funds.

G. Breach

HCAI reserves the right to recover the following amounts for Awardee's failure to perform the obligations set forth in this Agreement:

1. For failure to start or complete Awardee's service obligation, HCAI shall recover all of the following:

    a. The total amounts paid by HCAI to, or on behalf of, the Awardee for scholarship programs; and

    b. An amount equal to **10% of the total award plus interest**.

    c. Interest on the above amounts will accrue at the maximum legal prevailing rate from the date of the breach. Interest is calculated at the rate utilized by the State Treasurer from the date of the breach.

2. Any amount HCAI is entitled to recover from the Awardee for breach of this Agreement shall be paid within one year of the date HCAI determines that the Awardee is in breach of this Agreement.

3. Per Government Code 16580-16586, HCAI has statutory authority to collect on any outstanding debts. HCAI may attempt to collect from the Franchise Tax Board or any Medi-Cal offsets. HCAI may contact the Employment Development Department, the Board of Equalization and/or a collection agency in an effort to obtain repayment of the funds owed.

4. Awardee shall be ineligible to apply for any HCAI Programs in the future if they materially breach their contract unless Awardee obtains relief under Section H.

By signing below, the Awardee has reviewed and acknowledged the terms under Section G: Breach.

_____ _____

[Applicant Contact's Full Name] **Date**

H. Provisions for Suspension, Waiver, Cancellation or Voluntary Termination of Service

1. Any service or payment obligation incurred by the Awardee will be canceled upon the Awardee's death.

2. HCAI may waive or suspend the Awardee's Service Obligation or payment obligation incurred under this Agreement if the Awardee is permanently incapacitated by illness or injury, which prevents Awardee from practicing his/her profession or prevents Awardee from obtaining any other gainful employment. HCAI reserves the right to request medical or disability documentation as deemed necessary in order to complete the waiver or suspension request. Awardee must submit a written request to HCAI for waiver of suspension of Awardee's service obligations. A suspension of Awardee's obligation may be granted up to one year if Awardee's compliance is temporarily impossible or causes an extreme hardship. Additional time taken will extend the Service Term end date. (Note: A waiver permanently relieves the Awardee of all or part of the service obligation, however, waivers are not routinely granted and require a showing of compelling circumstances).

3. HCAI may provide for the partial or total waiver or suspension of any obligations of service or payment by Awardee whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.

4. Leave of absence for medical or personal reasons may be granted up to six months if the Awardee provides independent medical documentation of physical or mental health disability or personal circumstances, including terminal illness of an immediate family member, which results in the Awardee's temporary inability to perform their service obligation. Awardee must submit a written request to HCAI at least 30 calendar days prior to the beginning of any leave of absence. Periods of approved leave of absence of service will revise the Service Term end date after a Grant Agreement amendment.

5. If the Awardee plans to be away from his/her approved practice site(s) for paternity/maternity/adoption leave, the Awardee is required to inform HCAI at least 60 calendar days before taking the leave. HCAI allows Awardees to be away from their approved practice site(s) within the timeframes established by either the Family Medical Leave Act (up to 12 weeks), or other federal and state law; however, the Awardee must adhere to the leave policies of his/her approved practice site.

6. Call to Active Duty in the Armed Forces, leave of absence, or suspension of service may be granted to Awardees who are military reservists and are called to active duty; Awardees may be granted from six months to one year, beginning on the activation date described in the reservist's call to active duty order. In addition to the written request for suspension, a copy of the Order to active duty must be submitted to HCAI. The period of active duty will not be credited toward the service obligation. Periods of approved leave of absence of service will extend the Awardee's Agreement end date.

7. HCAI shall cancel the Agreement, no later than 45 days before the end of the state fiscal year (June 30) in which HCAI entered into the agreement. To request a cancellation of agreement, the Awardee must submit a written request via email with their reason for cancellation of the agreement. HCAI will close the agreement, effective immediately. No penalties will be assessed on a cancellation and the Awardee will be allowed to apply again in the future.

I. Change of Approved Practice Site

1. Awardee may request that HCAI permit him or her to change the practice location from one approved practice site to another. The request must be in writing and must be received and approved by HCAI, a minimum of 30 calendar days prior to the desired change. If the proposed transfer practice site is disapproved and the Awardee refuses assignment to another approved practice site, the Awardee may be placed in breach.

2. Awardees that voluntarily resign from their approved practice site(s) without prior approval from HCAI or are terminated by their approved practice site(s) for cause may be placed in breach. Awardee must notify HCAI in writing of immediate termination.

3. If Awardee becomes unemployed or is informed by his/her practice site of a termination date, Awardee must notify HCAI immediately in writing. The Agreement may be extended for the length of time the Awardee is without a practice site, so long as the period without a practice site does not exceed six months and so long as the employment is not a result of termination for cause. If additional time is needed, and the period without a practice site is not a result of termination for cause, Awardee may notify HCAI in writing, requesting additional time. HCAI will inform the Awardee of their decision in writing.

J. Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-2-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

K. General Terms and Conditions

1. Timeliness: Time is of the essence in this Agreement. Awardee will submit required deliverables as specified and adhere to the deadlines as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, and otherwise adhering to the terms of the Agreement, is the sole responsibility of the Awardee.

2. Final Agreement: This Agreement, along with the Awardee’s Application, exhibits and forms constitute the entire and final agreement between the parties and supersedes any and all prior oral or written agreements or discussions. In the event of a conflict between the provisions of this Agreement and the Awardee’s application, exhibits, and forms, the provisions of this Agreement shall prevail.

3. Cumulative Remedies: A failure to exercise or a delay in exercising, on the part of HCAI, any right, remedy, power or privilege hereunder shall not operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

4. Ownership and Public Records Act: All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall become the property of the State and subject to the California Public Records Act (Gov. Code §§ 7920 et seq.).

5. Audits: Awardee agrees that HCAI, the Department of General Services, the State Auditor, or the designated representative of any of the foregoing shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Awardee agrees to maintain such records for possible audits for a minimum of three years after final payment is made, unless a longer period of records retention is stipulated by the State. The Awardee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Awardee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., Cal. Code Regs. tit. 2, §1896).

6. A Non-Discrimination Clause (See Cal. Code Regs., Title 2, §11105):

    a. During the performance of this Agreement, Awardee and its subcontractors shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Awardee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

    b. Awardee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.8), and any regulations or standards adopted by HCAI to implement such article.

    c. Awardee shall permit access by representatives of the Civil Rights Department and HCAI upon reasonable notice at any time during the normal business hours, but not less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or HCAI shall require to ascertain compliance with this clause.

    d. Awardee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

e. Awardee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

7. Independence from the State: The Awardee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

8. Waiver: The waiver by HCAI of a breach of any provision of this Agreement by the Awardee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify Awardee from any future grant awards for failure to comply with the terms of this Agreement.

9. Approval: This Agreement is of no force until signed by both parties. The Awardee may not commence performance until such approval has been obtained.

10. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or arrangement not incorporated in the Agreement is binding on any of the parties.

11. Assignment: This Agreement is not assignable by the Awardee, either in whole or in part, without the consent of HCAI in the form of a formal written amendment.

12. Indemnification: Awardee agrees to indemnify, defend and save harmless the State, its officers, agents, and employees (i) from all claims and losses accruing or resulting to any and all of Awardees, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies resulting from the Awardee's performance of this Agreement, and (ii) from all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Awardee in the performance of this Agreement.

13. Disputes: Awardee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:

    a. Awardee will discuss the problem informally with the HCAI Program Officer. If unresolved, the problem shall be presented, in writing, to the Deputy Director, stating the issues in dispute, the basis for Awardee's position, and the remedy sought. Awardee shall include copies of any documentary evidence and describe any other evidence that supports their position with their submission to the Deputy Director.

b. Within ten working days after receipt of the written grievance from the Awardee, the Deputy Director or their designee shall make a determination and respond in writing to the Awardee indicating the decision and reasons for the decision.

c. Within ten working days of receipt of the Deputy Director's decision, the Awardee may contest the decision of the Deputy Director by submitting a written request for review to the Chief Deputy Director stating why the Awardee does not agree with the Deputy Director's decision.

d. Within ten working days, the Chief Deputy Director or their designee shall respond in writing to the Awardee with their decision. The Chief Deputy Director's decision will be final.

14. Termination for Cause: In addition to the Breach provisions above, HCAI may terminate this Agreement and be relieved of any payments should Awardee fail to perform the requirements of this Grant Agreement at the time and in the manner herein provided. Awardee shall pay the amount actually awarded under this Grant Agreement.

15. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

16. Unenforceable Provision: If any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

17. Incorporation by Reference: The Vocational Nurse Scholarship Program Grant Guide for Cycle Year 2026 (Grant Guide) is incorporated by reference into this Agreement. In the event of a conflict between any term or condition contained within the four corners of this Agreement and any term or condition of the Grant Guide, the language in this Agreement shall prevail.

L. HCAI and Awardee Contact Information

The representatives of HCAI and the contact information for each party during the term of this agreement are listed below. Direct all inquiries to:

State Agency: **Department of Health Care Access and Information**	HCAI Program Awarded Under: **[Name of Program]**
Section/Unit: **Health Workforce Development**	Awardee's First Name, Last Name: **[Awardee's Full Name]**
Program Officer Name: **[Program Officer Full Name]**	Address: **[Address 1]**
Address: **2020 West El Camino Avenue, Suite 1222** **Sacramento, CA 95833**	Phone Number 1: **[Phone 1]**
Phone: **[Program Officer Main Phone]**	Phone Number 2: **[Phone 2]**
Email: **[Program Officer Primary Email]**	Email: **[Email Address]**

M. Parties' Acknowledgement:

By signing this Grant Agreement, I acknowledge that I am subject to the eligibility requirements identified in the **[CYCLE PROGRAM NAME] [CYCLE PROGRAM NUMBER]** Grant Guide (the "Grant Guide"), which is incorporated into this Agreement in its entirety by reference. I understand that I may be disqualified from the process if an eligibility conflict is identified based on the criteria set forth in the Grant Guide.

By signing below, the Department of Health Care Access and Information (HCAI) and Awardee acknowledge that this Agreement accurately reflects the understanding of HCAI and Awardee with respect to the rights and obligations under this Agreement.

_____ _____

[Awardee's Full Name] **Date**

For the Department of Health Care Access and Information:

_____ _____

Date