

(8) Arrange and support educational opportunities for medical and other students at affiliated health facilities, ambulatory care centers, and health agencies throughout the area served by the center. In meeting this requirement, the center must:

(i) Coordinate the conduct of the following programs, including assisting in their planning and development, obtaining the necessary resources and providing administrative support services for:

(A) Clinical education for undergraduate medical or osteopathic students in at least family practice, general internal medicine or general pediatrics;

(B) Education for undergraduate and, as appropriate, graduate students, at a school of dentistry, if one is participating in the program;

(C) Education for students of the other schools or programs participating in the area health education center program under paragraph (d)(5) of this section; and

(D) Orientation for high school and post-high school students in schools in the area to develop awareness of health careers and health opportunities.

(9) Have an advisory board of which at least 75 percent of the members are persons from the area served by the center, including health service providers and consumers. For this purpose, health service providers are individuals who derive more than 10 percent of their annual income from the health care industry. In meeting this requirement:

(i) The advisory board must be reasonably divided between:

(A) Providers of health care, including at least one physician, dentist, nurse, and allied health professional who is actively engaged in the practice of his or her profession in the area served by the center; and

(B) Consumers, including students, who reside in the area and are broadly representative of the population in the area in terms of demographic factors, such as race, ethnic background and sex. The advisory board shall advise the chief administrative official of the center on all major policies concerning the operation of the center, on the es-

tablishment of center program priorities and on other issues, as necessary.

**§ 57.3805 When do the requirements of § 57.3804 apply?**

(a) The period of time in which any entity will have to meet all the requirements or § 57.3804 will be negotiated on a case-by-case basis, depending upon the nature and scope of the planned area health education center program. No cooperative agreement, however, shall provide funds solely for the planning or development of a program for a period of longer than two years.

(b) Each area health education center program must begin planning for at least one center during the first year of support so that at least one center is fully operational and meets all the applicable requirements of § 57.3804 during the third year of support. Additional centers may be phased in during the first four years of Federal support except that once planning for any center is initiated, it must become fully operational and meet all the applicable requirements of § 57.3804 within three years.

(c) Each school with which the Secretary enters into a cooperative agreement under this subpart must meet all the requirements of § 57.3804 during the first four years of Federal support, except that once planning to add any school is initiated, it must meet all the applicable requirements of § 57.3804 within three years.

**§ 57.3806 How will applications be evaluated?**

(a) After consulting with the National Advisory Council on Health Professions Education established by section 702 of the Act, the Secretary will award cooperative agreements to applicants whose projects will best promote the purposes of section 781 of the Act and these regulations, taking into consideration among other factors:

(1) The degree to which the proposed project adequately provides for the program requirements set forth in § 57.3804;

(2) The capability of the applicant to carry out the proposed project; and

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(3) The extent of the need of the area to be served by the proposed area health education center.

(b) In determining the funding of applications approved under paragraph (a) of this section, the Secretary will consider any special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

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**§ 57.3807 How is the amount of the award determined?**

(a) The amount of the award will be based on the Secretary's estimate of the sum necessary for the approved activity.

(b) The Secretary will not provide in any year under this subpart more than 75 percent of the total operating funds of an area health education center program.

**§ 57.3808 How long does support under a cooperative agreement last?**

(a) The cooperative agreement will specify the length of time the Secretary intends to support the project without requiring the project to recompute for funds. In addition, the maximum period during which a project may be funded will be specified in each cooperative agreement.

(b) Generally, the project will initially be funded for one year, and subsequent continuation awards will also be for one year at a time. A school which enters into a cooperative agreement must submit a separate application to have the support continued for each subsequent year. Decisions regarding continuation awards and the funding levels of these continuation awards will be made after consideration of such factors as the applicant's progress and management practices, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued funding is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the entering into of any cooperative agreement commits or obligates the Federal Government in any way to make any additional, supple-

mental, continuation or other award with respect to any approved application or portion of an approved application.

(d) Any balance of federally obligated funds remaining unobligated by the school at the end of a budget period may be carried forward to the next budget period, for use as prescribed by the Secretary, provided a continuation award is made. If at any time during a budget period it becomes apparent to the Secretary that the amount of Federal funds awarded and available to the school for that period, including any unobligated balance carried forward from prior periods, exceeds the school's needs for the period, the Secretary may adjust the amounts awarded by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

**§ 57.3809 For what purposes may cooperative agreement funds be spent?**

(a) A school which is awarded a cooperative agreement shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the cooperative agreement award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) The area health education center program must spend at least 75 percent of the funds provided under this subpart in any year in area health education centers.

(c) Schools which are awarded cooperative agreements may not spend cooperative agreement funds for sectarian instruction or for any religious purpose.

**§ 57.3810 How will the Department participate in a cooperative agreement?**

The Secretary anticipates substantial Federal involvement in the management of the project supported under the cooperative agreement. This involvement may include, as determined necessary, the following activities, among others: