

Minnesota Childcare Grants

Fiscal Year 2018

Request for Proposals

Application Information & Materials

October 2nd, 2017

Please read through this entire application package BEFORE you begin to respond to the application questions and before you complete the checklist.

Eligible Recipients: A local government unit or non-profit organization having experience in one or more of the following: the operation of, planning for, financing of, advocacy for, or advancement of the delivery of child care services.

Eligible Uses: Including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.

COVER SHEET

RFP Release: October 2nd, 2017

Proposals Due

4:00pm November 3rd, 2017.

Please send a copy of the proposal in PDF format via email to Brandon.toner@state.mn.us with the subject line "Child Care Grant Proposal – [Organization Name]"

Informational Conference Call

Date & Time: Tuesday October 17 at 10:00am

Call in number: 1-888-742-5095 (US) Conference Code: 761-492-1901

All content will be made available online at <http://mn.gov/deed/about/contracts/wdd-grant.jsp> after the initial cast.

Timeline

Noticed Published in the State Register	October 2nd, 2017
RFP posted on the DEED web site	October 2nd, 2017
Webinars or meetings	10:00am, October 17, 2017
Applications due no later than 4:00 pm central time	November 3rd, 2017.
Grant end date (no late than).	June 30th, 2019

LATE APPLICATIONS WILL NOT BE ACCEPTED

DISCLAIMER: All costs incurred in responding to the Request for Proposal (RFP) will be borne by the responder. This RFP does not obligate the state to award a contract or complete the project. The state also receives the right to cancel the solicitation if it is considered to be in its best interests.

Alternative Format:

Upon request, these materials will be made available in alternative formats. For TDD, contact Minnesota Relay at 711 or 1-800-627-3529.

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Grant Request for Proposal

INTRODUCTION

2017 Laws of Minnesota, Chapter 94, Article 1, Section 2, Subdivision 2(y)(i) authorizes \$519,000 in fiscal year 2018 for grants to local communities to increase the supply of quality child care providers in order to support regional economic development. At least 60% of the funds must go to communities outside the metropolitan area (as defined under Minnesota Statutes 473.121, subdivision 2). Recipients must obtain a 50 percent non-state match to grant funds in either cash or in-kind contributions.

Objective of RFP

The Department of Employment and Economic Opportunity, through its Economic Development Division is seeking Proposals from qualified responders to receive grants to be used to implement solutions to reduce the child care shortage in the state, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.

Background

According to the Center for Rural Policy and Development:

- “The U.S. Census Bureau estimates that in 2014, 74% of Minnesota households with children under age 6 had all parents in the workforce, third highest in the nation behind Iowa and South Dakota at 75%.
- The change in the number of children age 0-4 between 2000 and 2015 varies from county to county, but the percentage of the total population they represent in each county has stayed remarkably steady, around 5% to 7%. In each county, that percentage barely changed over time, varying between a 2-percentage-point drop and a 1-percentage point increase. Only in Mahnomon County did the under-5 group increase by more than 1 percentage point, going from 7% of the population in 2000 to 10% in 2015.[2]
- Between 2006 and 2015, the number of licensed in-home family child care providers decreased by more than one quarter (27%) across the state. In terms of capacity—the total number of children providers are licensed to care for—that translates to a loss of approximately 36,500 spaces.[3]
- Over those same ten years, the number of child care centers increased by 8% statewide and their capacity grew by 27%, enough to fill about two thirds of the gap left by in-home providers exiting the business.”¹
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This grant program seeks to help address this shortage through grants to communities to implement solutions, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.

¹ “A quiet crisis: Minnesota’s child care shortage” <http://www.ruralmn.org/publications/a-quiet-crisis-minnesotas-child-care-shortage/> Accessed 9/15/2017

Funds Available

- Total Funds Available \$519,000
- Total Expected Awards 8-12
- Maximum award \$100,000

Funding will be allocated through a competitive process with review by a committee composed of state and non-state officials and subject matters experts. We expect to announce selected grantees in the last week of November. If selected, you may only incur eligible expenditures when the grant contract is fully executed and the grant has reached its effective date.

Technical Assistance

Questions may be submitted by email to Brandon Toner at Brandon.toner@state.mn.us. Please submit questions no later than 4:00 p.m. Central Time, on October 13, 2017.

DEED staff will post responses to frequently asked questions on DEED's website by way of the Contract Opportunities page: <http://mn.gov/deed/about/contracts/>.

SCOPE OF WORK

Overview

Minimum Requirements

Proposals must identify a lead applicant. The applicant must be a local government unit or 501(c) 3 non-profit organization having experience in one or more of the following: the operation of, planning for, financing of, advocacy for, or advancement of the delivery of child care services.

Eligibility

An eligible local community is defined as one or more county, city, school district, development region, workforce service area, Initiative Foundation service area, political subdivision or other defined geographic area located in the State of Minnesota.

Proposals must identify a lead applicant. The applicant must be a local government unit or 501(c) 3 non-profit organization having experience in one or more of the following: the operation of, planning for, financing of, advocacy for, or advancement of the delivery of child care services.

The lead applicant must be located in the community that is the beneficiary of the funds or is partnering with one or more non-profit organization, local government unit or private sector employer located in an eligible community.

Allowable expenses

2017 Laws of Minnesota, Chapter 94, Article 1, Section 2, Subdivision 2(y)(i) authorizes \$519,000 in fiscal year 2018 for grants to local communities to increase the supply of quality child care providers in order to support regional economic development.

Including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.

Grant funds must be used to implement solutions to reduce the child care shortage in the state, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.

Expenses directly related to delivering grant objectives can include personnel, fringe benefits, travel, equipment, supplies, contractual, consultants, provider grants and/or forgivable loans. These items should be included in the grantee budget as specific budget line items.

Expenses not directly related to delivering grant objectives but necessary to support this grant funded program can include administrative and indirect. Administrative cost may include a portion of the following expenses: accounting, human resources, IT support, other general office expenses. Indirect cost may include executive or supervisory salaries and fringe, rent, facilities maintenance costs, utilities, Fleet vehicles, etc.

Pursuant to Minnesota Statutes §16B.98, subdivision 1, the Grantee agrees to minimize administrative costs as a condition of this grant. In order to comply with Minnesota Statutes 16B.98, Subd. 1 no more than 10% of the total project budget can be dedicated to administrative and indirect cost.

Ineligible expenses include but are not limited to:

- Fundraising
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking or traffic violations
- Out of state transportation and travel expenses, (Minnesota will be considered the home state for determining whether travel is out of state).

No more than 10% of an award may be used for administrative costs. DEED reserves the right to offset overpayments and disallowances by reducing a subsequent cash payment or requiring repayment of costs.

Collaboration & Matching

Recipients must obtain a 50 percent non-state match to grant funds in either cash or in-kind contributions.

Grantees are asked to propose a project total budget that includes and identifies the sources of any project matching dollars. Proposals must also identify the dollar amount and percentage of state money involved in the total project cost.

Preference in award of grants will be given to proposals that demonstrate collaborations and/or partnering among private-sector employers, public and non-profit organizations within a specific geographic area and/or between or among proximate geographic areas.

Tasks/Deliverables

Within one year of receiving grant funds, grant recipients must report to the commissioner of the Department of Employment and Economic Development on the outcomes of the grant program including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

- Submit mid-term program reports and end of year report.
- Submit quarterly fiscal reports with all expenditures billed to the grant.
- Actively participate in evaluation and data collection efforts that assess the impact of this initiative.

Target Population

In awarding grants priority will be given to communities that have documented a shortage of child care providers in their defined area. At least 60% of the awarded funds must go to communities outside the metropolitan area (as defined under Minnesota Statutes 473.121, subdivision 2).

PROPOSALS

Proposals must conform to all instructions, conditions, and requirements included in the RFP. You must submit all items on the attached checklist in order for the application to be considered complete. Responders are expected to examine all documentation and other requirements. Failure to observe the terms and conditions in completion of the Proposal are at the Responder's risk and may, at the discretion of the State, result in disqualification of the Proposal. Acceptable Proposals must offer all services identified *Scope of Work* and agree to the contract conditions specified throughout the RFP.

Deadlines

All applications must be received no later than 4:00 p.m. Central Time, on November 3rd, 2017 Late applications will not be considered. The applicant will incur all costs incurred in applying to this RFP.

Applications may be submitted in PDF format via email to:

Brandon Toner
Minnesota Department of Employment and Economic Development
Email: Brandon.toner@state.mn.us
Subject: Child Care Grants – [Organization Name]

Proposal Components

Equity

In awarding grants, priority must be given to communities that have documented a shortage of child care providers in the proposed project area. The definition of documented shortages may include disparities in access to affordable quality child care among targeted groups including but not limited to rural communities, low-income communities, Indian communities, minority communities, persons with disabilities, veterans, and women.

Performance Outcomes

Within one year of receiving grant funds, grant recipients must report to the commissioner of the Department of Employment and Economic Development on the outcomes of the grant program including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

Acceptable Proposal Designs

Proposals must be submitted electronically via email in a single PDF document that includes the proposal and any attachments. Proposal must be no longer than 10 pages double spaced in 11 point font (Calibri) and included 1 page executive summary.

Proposals must include a total project budget using the template provided by DEED. This template is available at <http://mn.gov/deed/about/contracts/wdd-grant.jsp>

Do not submit any other materials (binders, photos, etc.). Unrequested materials will not be reviewed.

PROPOSAL EVALUATION AND SELECTION

Overview of Evaluation Methodology

The review committee will be reviewing each applicant on a 100-point scale. The scoring factors and weight that applications will be judged are based on the 2017 Minnesota Laws, Chapter 7, Article 12, Section 2, Subdivision 2(l).

Proposal Narrative and Scoring Criteria

The objective of this grant is to increase the supply of quality child care providers in greater Minnesota in order to support regional economic development. In your response to this RFP

you must demonstrate how these grant funds will be used to implement solutions to reduce the child care shortage in the state and support economic growth in your community.

Priority will be given to communities that have documented a shortage of child care providers in the area. Data and analysis of child care shortages in Minnesota is being made available by The Center for Rural Policy and Development at <http://www.ruralmn.org/>. For further questions and access to the data please contact Marnie Werner at mwerner@ruralmn.org.

The submitted proposal narrative must address all sections of the Request for Proposal and include the following information:

Proposal Components

30 Points

Project Description: Describe the proposed project, including a statement of need for child care in your community, how this project will increase the supply of quality child care in the region, how this project supports economic growth in your region, the geographic scope of the project, and the types of innovative approaches that will be implemented to meet the grant's objectives.

- *Need Statement:* Describe why the proposed project is needed to increase the supply of quality child care in the community. Address any or all types of assistance needed: funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.
- *Methodology:* What kind of solutions will you implement to meet objectives of this grant? These include but are not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements.
- *Cost per child care slot:* What is the estimated cost per child care slot that will be created through this project?
- *Innovation:* How does the project demonstrate innovative approaches, techniques or strategies?

20 Points

Project Goals, Activities and Timetables: The proposal should show clear and measurable outcomes, activities and a reasonable timeframe for performing and reporting on project activities. Outcomes must include but are not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

- What are the key activities to be funded through this project?
- What are the goals and measurable outcomes for this project?
- What is the timetable for completion of the project?

20 Points

Partnerships and Leverage: Describe the financial and programmatic partnerships that support this proposed project including public sector partnerships, non-profit partnerships and private-sector partnerships. Priority will be given to projects that demonstrate private-sector engagement in support of regional economic growth and/or exceed the minimum dollar-for-dollar match requirements.

10 Points

Assessment and Evaluation: The proposal should clearly explain how the project will be evaluated with specific mention of tracking outcomes related to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

10 Points

Organizational Capacity and Relevant Experience: The proposal must provide a brief profile of the lead applicant organization, the lead organization's role in the project, profiles of any partner organizations and their roles in the project. The lead organization or partner organization must demonstrate one or more of the following: experience in the operation of, planning for, financing of, advocacy for, or advancement of the delivery of child care services. The lead applicant must represent or partner with an organization that represents at least on eligible local community as defined above.

10 Points

Budget: Applicants must complete a detailed project budget which lists sources and uses of all program related funds and demonstrates the 50 percent cash and/or in-kind matching requirements of the grant.

In addition, attach a concise budget backup narrative that describes additional leveraged funds and/or resources that are dedicated from other public or private sources

The review committee will evaluate all eligible and complete applications received by the deadline. The Commissioner of DEED will review all committee recommendations and is responsible for award decisions. The award decisions of DEED are final and not subject to appeal. The Commissioner of DEED reserves the right to change the amount awarded to any selected project.

Financial Review

All Non-Governmental Organizations (NGO's) applying for grants in the state of Minnesota must undergo a financial review prior to being offered a grant award of \$25,000 and higher. In order to comply with [State Policy on the Financial Review of Nongovernmental Organizations](#) please submit one of the following documents with your application, based on the following criteria:

- Before awarding a grant of over \$25,000 to a nongovernmental organization that has not previously had a grant from the State of Minnesota, state law requires DEED to assess a recent financial statement from that organization. Items of significant concern must be discussed with the grant applicant and resolved to the satisfaction of DEED staff before a grant is awarded (Minn. Stat. §16b.97 and [Dept. of Administration/Office of Grants Management policy 08-06](#)).
- Grant applicants with annual income of under \$50,000, or who have not been in existence long enough to have a completed IRS Form 990 or audit should submit their most recent board-reviewed financial statements.
- Grant applicants with total annual revenue of \$50,000 or more and less than \$750,000 should submit their most recent IRS Form 990 including all schedules.
- Grant applicants with total annual revenue \$750,000 or more should submit their most recent certified financial audit.

Conflicts of Interest

We will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers, per Minn.Stat. §[16B.98](#) and [Conflict of Interest Policy for State Grant-Making](#). When a conflict of interest concerning state grant making exists, transparency shall be the guiding principle in addressing it.

In cases where a conflict of interest is suspected, disclosed, or discovered by DEED, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement. In cases where a perceived, potential, or actual conflict of interest is discovered by the applicants, they must notify the state.

Applicants must complete a Conflict of Interest Disclosure agreement and attach it to their proposal.

Public Data

Per Minn. Stat. § [13.599](#):

- Names and addresses of grant applicants will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in §[13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by the Department as part of the evaluation process (except trade secret data as defined and classified in §[13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).

POST-SELECTION REQUIREMENTS

Legal and Administrative

All grant agreements entered into with DEED require both state and federal tax identification numbers and a valid DUNS number issued by Dun & Bradstreet. A DUNS number is a unique nine-digit identification number for each physical location of your business. [Number assignment is free for all businesses required to register with the government for contracts or grants and can be obtained via the Dun & Bradstreet website linked here.](#)

Applicants must also comply with all state and federal requirements including but not limited to:

- Worker's compensation;
- Affirmative action;
- Data privacy;
- Equal Employment Opportunity;
- The Americans with Disabilities Act (ADA)

During the proposal review process, organizations applying may be assessed on whether or not unemployment insurance debt is owed.

Grant recipients new to DEED-funded grants must complete a master grant agreement before DEED will disburse any funds. The State of Minnesota's accounting and procurement system is called State-Wide Integrated Financial Tools (SWIFT). Every organization or subgrantee doing business with the state is considered a vendor. Vendors must be registered with the State of Minnesota. Vendors can interact with the state through the [Supplier Portal](#), which is part of SWIFT. The Supplier Portal allows vendors to login and view payment detail as well as maintain address and contact information related to their vendor record. For new prospective grantees (vendors), if you are awarded a grant, it will be necessary to register as vendor via the [Vendor Registration link](#).

Bidding

For NGOs

- Any services and/or materials that are expected to cost \$25,000 or more must undergo a formal notice and bidding process. Support documentation of this process must be included in the grantee's financial records.
- Any services and/or materials that are expected to cost between \$10,000 and \$24,999 must be scoped out in writing and offered to a minimum of three (3) bidders. Support documentation of this process must be included in the grantee's financial records.
- Any services and/or materials that are expected to cost between \$5,000 and \$9,999 must be competitively based on a minimum of three (3) verbal quotes. Support documentation of this process must be included in the grantee's financial records

For Municipalities

- If the amount of the contract is estimated to exceed \$100,000, a formal notice and bidding process must be conducted in which sealed bids shall be solicited by public notice.

- If the amount of the contract is estimated to exceed \$25,000 but not \$100,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.
- If the amount of the contract is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt.

Accountability and Reporting

Depending on the types of proposals chosen for funding, DEED will work with all grantees to identify data collection requirements and measurable outcomes for reporting. Grantees should be prepared to submit quarterly progress reports including the outcomes listed in the participant plan.

Per [State Policy on Grant Payments](#), reimbursement is the preferred method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports, unless the state agency has given the grantee a written extension.

Each month, grantees must prepare and submit Reimbursement Request Forms with supporting documentation (invoices, canceled checks, time sheets, etc.) to a grant administrator within DEED. RRFs must accurately reflect expenditures and obligations consistent with rates of participation which grant administrators will be able to track.

Grant Monitoring

Minnesota Statutes [§16B.97](#) and [State Policy on Grant Monitoring](#) require the following:

- One monitoring visit during the grant period on all state grants of \$50,000 and higher
- Annual monitoring visits during the grant period on all grants of \$250,000 and higher
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants of \$50,000 and higher. For this purpose, the grantee must make expense receipts, employee timesheets, invoices, and any other supporting documents available upon request by the State.

Audits

Per [Minn. Stat. §16B.98](#), Subd. 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Checklist: Application Content and Instructions

Cover Sheet

Complete the name and address of the applicant agency and/or fiscal agent as well as the name and address of the contact person for the program. Include both federal and state Tax ID numbers. Indicate the total level of funding requested. Be sure to include an authorized signature and date on the application.

Executive Summary

Provide a one-page overview of the proposed project.

Application Narrative (10 single-sided page limit)

Performance Outcomes

Complete the expected outcomes of your project.

Project Sources and Uses Budget

Complete the attached *Project Sources and Uses Budget*. A maximum of 10 percent of funding may be used for administrative costs.

Partnership Chart

List all partner organizations that are contributing resources, staff and/or time and other entities who are partnering with your organization. Attach Letters of Commitment from those entities listed in the Partnership Chart as collaborating or cooperating with the project. Please note that these are Letters of Commitment and should be able to spell out what the entity is providing towards the project you are proposing to have funded by DEED.

Fiscal Capacity Checklist

The Fiscal Capacity Checklist is a standardized form that is used to determine the basic financial capacity of grant applicants. This information meets state grants management requirements as established in Minnesota Statutes 16B.97 and 16B.98.

Affidavit of non-collusion

UI Form

Required Financial Documents (for NGOs)

- Grant applicants with annual income of under \$50,000, or who have not been in existence long enough to have a completed IRS Form 990 or audit should submit their most recent board-reviewed financial statements.
- Grant applicants with total annual revenue of \$50,000 or more and less than \$750,000 should submit their most recent IRS Form 990.
- Grant applicants with total annual revenue of over \$750,000 should submit their most recent certified financial audit.

