

State of Hawaii  
Department of Human Services  
Benefit, Employment and Support Services Division  
Employment and Training Program Office

## **Addendum No. 1**

**August 25, 2014**

**To**

**Request for Proposals**

**HMS-903-15-03-S**  
**Temporary Assistance for Needy Families (TANF)**  
**Maintenance of Effort (MOE)**  
**Services Statewide**  
**July 18, 2014**

August 25, 2014

**ADDENDUM NO. 1**

To

**REQUEST FOR PROPOSALS  
Temporary Assistance for Needy Families (TANF)  
Maintenance of Effort (MOE) Services Statewide  
HMS-903-15-03-S**

The Department of Human Services, Benefit, Employment and Support Services Division, Employment and Training Program Office, is issuing this addendum to HMS-903-15-03-S, Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) Services Statewide for the purposes of:

- Responding to questions that arose at the orientation meeting of August 4, 2014 and written questions subsequently submitted in accordance with Section 1-V of the RFP.
- Amending the RFP.
- Final Revised Proposals

The proposal submittal deadline:

- is amended to <new date>.
- is not amended.
- for Final Revised Proposals is <date>.

Attached is (are):

- Responses to questions raised and a summary for the purpose of clarification of the RFP requirements.
- Amendment to the RFP.
- Details of the request for final revised proposals.

If you have any questions, contact:

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RFP HMS 903-15-03-S “Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) Services Statewide” is amended as follows.

***Subsection Page Amendment***

**Section 1, Administrative Overview**

1.2	1-2	Subsection 1.2 is amended to add the following Website Reference:
Website Reference		“Guide On Funding Services Through the TANF Program”
		<a href="http://www.acf.hhs.gov/sites/default/files/ofa/funding_guide.pdf">http://www.acf.hhs.gov/sites/default/files/ofa/funding_guide.pdf</a>

**Section 3, Proposal Application Instructions**

3.5	3-4	Subsection 3.5, Item A, is amended to include the following budget form:
Financial, Item A Pricing Structure		SPO-H-206D Budget Justification – Travel-Out-Of-State*

**Section 4, Proposal Evaluation**

4.3	4-2	Subsection 4.3, Item B, is amended from “90 Points” to “100 Points”.
Evaluation Criteria, Item B Phase 2 – Evaluation of Proposal Application		

**Responses to Question Raised  
For HMS-903-15-03-S  
Temporary Assistance for Needy Families (TANF)  
Maintenance of Effort (MOE) Services Statewide**

*Summary for the purpose of clarification:*

Hawaii is required to meet federal requirements as a condition to receiving and expending Federal TANF Block Grant. Following are two key requirements.

1. **Work Participation Rates:** Of all TANF recipient families that have at least one able-bodied, fifty percent (50%) must meet work participation requirements. Of the total TANF recipient families, ninety percent (90%) of the two-parent families must meet work participation requirements.
2. **TANF Maintenance of Effort (MOE):** Hawaii must expend eighty percent (80%) of its historic state-funded expenditures towards programs and services that meet the TANF purposes described in Section 2 of the RFP. This is called the TANF Maintenance of Effort (MOE). For Hawaii, this equates to about \$75.8 million.

Families that are "TANF eligible" must:

1. Be U.S. citizens or lawfully admitted non-citizen residents which includes Compact of Free Association (COFA);
2. Include a child living with a custodial parent or other adult caretaker relative; and
3. Have total household income less than three-hundred percent (300%) of the Federal Poverty Level (FPL).

TANF MOE expenditures must be costs that were incurred for programs and services that meet one of the TANF purposes (see subsection 2.4), such as but not limited to, direct assistance (e.g. cash benefits), child care assistance, education activities, non-medical treatment services and pro-family activities.

Countable TANF MOE expenditures include:

1. *Administrative Costs* such as general administrative expenses (e.g. overhead costs); coordination of programs such as salaries/benefits of staff performing administrative/coordination; program planning and monitoring; and public relations;
2. *Direct Services (i.e. program/service costs)* such as salaries/benefits of staff that provide *direct* services to TANF eligible families; supplies and equipment specifically for the program; and other tangible goods and donations provided to TANF eligible families; and

Expenditures cannot include expenses that were funded with federal monies and expenses that were already leveraged to meet other Federal requirements.

Federal policies allow states to count allowable costs incurred by others in the state, cash donations from non-Federal donations (e.g. non-profit organizations), volunteer hours contributed directly to programs and services that meet one of the TANF purposes, and the value of third-party in-kind contributions, provided:

1. States established agreements with the contributing organizations;
2. Funds were spent within the reporting federal fiscal year; and
3. The expenditures are verifiable.

States that report excess TANF MOE expenditures may be eligible for a caseload reduction credit that lowers the work participation rates (i.e. 50% all families and 90% for two-parent families). For example, if Hawaii reports excess TANF MOE expenditures that provide a credit of forty percent (40%), the work participation rate will be reduced to 10% (50% minus 40%) for the All-Family rate and 50% (90% minus 40%) for the two-parent families.

If Hawaii fails to meet federal obligations for TANF, fiscal penalties will be imposed. For example, if Hawaii fails to meet the work participation requirements, a five percent (5%) reduction will be applied towards the State's TANF block grant and Hawaii will be required to make-up the five percent (5%) reduction with state funds. If Hawaii also fails to meet the TANF MOE expenditure requirements then a separate fiscal penalty will be imposed. Fiscal penalties for failing to meet the work participation requirements and the TANF MOE expenditure requirements combined may potentially cost Hawaii about \$15 million.

**Submitted Questions:**

- 1) What do you mean by multi-year contract? Will the agency be awarded for multiple years?

*Response:* The initial term of the contract, if awarded, is January 1, 2015 to December 31, 2015. Three (3) one-year extensions may be awarded, not to exceed a total of four (4) years. Extensions will be based on the availability of funding, provider's performance, and provider's MOE expenditure contribution.

- 2) Does our program have to meet a TANF purpose AND service delivery to TANF eligible only?

*Response:* Program services must meet a TANF purpose. Services qualified under TANF purposes 1 and 2 must be provided to TANF eligible families. Services qualified under TANF purposes 3 and 4 may be provided to TANF eligible and non-TANF eligible families.

- 3) Do MOE Expenditures apply to the TANF eligible population only?

*Response:* Yes. All expenditures claimed towards the TANF MOE requirement must be for direct and indirect services that were provided to TANF eligible families.

- 4) As a whole, can the program meet more than one purpose?

*Response:* Yes, a program may meet more than one (1) TANF purpose. For example, programs dealing with families may meet TANF purposes 1, 2, and 4.

- 5) Are MOE expenditures agency-wide or only particular to a program?

*Response:* MOE expenditures reported may be agency-wide to include incurred expenses for other programs that meet one (1) of the TANF purposes.

- 6) Can services for non-custodial parents (like former inmates) be counted for MOE?

*Response:* Yes, if the following criteria are met:

- a. Individual (non-custodial parent) is no longer incarcerated at the point of service delivery;
- b. Individual was determined as the non-custodial parent through the judicial system;
- c. Custodial parent and child(ren) is a TANF-eligible family; and
- d. The MOE expenditures are for services that meet TANF purpose 1, 2 or 4. The services should focus on improving the overall well-being of children and their parents such as, but not limited to, comprehensive healthy relationship and marriage education services; responsible parenting; and promoting economic stability through education, job training and career advancement activities.

- 7) Budget form 206D is listed in the Application Checklist but not listed in the forms to prepare in the Application Instructions. Should applicants prepare a SPO-H-206D, Travel Out-of-State?

*Response:* This addendum has added Form SPO-H-206D to the RFP Section 3, Subsection 3.5 (see page 2 of 9 of this Addendum).

- 8) TANF MOE Expenditure Report – Will submitting this report by 9/30/14 also be considered as the annual submittal of this report? Because of the 9/30 due date, it may not have confirmed information because the report is supposed to cover up to 9/30. Or will there be another call for this report?

*Response:* For applicants that currently contribute towards the TANF MOE efforts, yes, it will be considered as the submittal of the annual report. TANF MOE expenditures, however, must be incurred expenditures (see response to Question 3); therefore, the TANF MOE Expenditure Report submitted by 9/30/14 may not be the final report.

- 9) If we are getting fee for service funds through a contract with the C&C of Honolulu, but we think the funds may be federal pass-thru (for example, WIA funding), can we count those funds towards MOE?

*Response:* No. Any federally sourced funds cannot be counted as TANF MOE expenditures regardless of methods to which they are received.

- 10) Please confirm that the MOE expenditures to be reported cannot be federally funded?

*Response:* Correct, TANF MOE expenditures reported cannot be federally funded.

- 11) For non-federal grants that are not necessarily targeted toward TANF recipients, but are for employment, for example, how do we determine how much of the funding can be reported as MOE expenditures?

*Response:* Only count allocated portion of services that were used to service the TANF eligible families. Programs that meet a TANF purpose and the services are provided to the general public then only the expenditures incurred for services provided to TANF-eligible families can be counted towards TANF MOE. For example, a program serviced 100 families but only 20 families were confirmed to be TANF-eligible, then one-fifth (1/5) or twenty percent (20%) of the total program expenditures may be counted towards TANF MOE provided the service costs incurred for each of the 100 families were equal.

- 12) How many proposals can each agency submit?

*Response:* Each organization may submit one (1) proposal.

- 13) How many programs can each agency submit for funding? For example, if one proposal is submitted, can it be for two programs?

*Response:* An agency may propose more than one (1) program but only one (1) contract and funding amount will be awarded to the agency (see subsection 2.5 on page 2-13). Agencies must identify and describe in their proposals each of the proposed programs and provide one (1) budget that specifies how the funding amount will be allocated among the proposed programs.

- 14) Can we use MOE from a TANF purpose different from the one we are submitting for funding?

*Response:* Yes. MOE expenditures are agency-wide. Please refer to Question #5.

- 15) Does TANF purpose #2 include assistance to a TANF eligible client (needy parent) who may need assistance with application to school/college, apprenticeship program, and related application for scholarships? Would this count as employment/job preparation or career advancement?

*Response:* Yes, services such as case management and counseling, as it relates to job preparation and employment, may be included.

- 16) In the RFP it specifies an amount not to exceed \$300,000 per qualified organization contributing more than 4 million in MOE expenditures and so on.

- a. Could you please clarify what this means to our proposal?

*Response:* If an applicant provides \$4 million in MOE expenditures then the applicant will be awarded a contract up to \$300,000.

- b. Does it refer to \$300,000 being the ceiling of the combined state's agencies MOE expenditures?

*Response:* The actual awarded funding will be based on each applicant's total MOE expenditures. Please refer to subsection 2.5 on page 2-13.

- c. Or does it mean each qualified organization's individual MOE expenditures?

*Response:* Yes. Each organization's qualified MOE expenditures will determine the award funding for that organization.

d. What is the ceiling amount to be granted?

*Response:* The maximum amount to be awarded, for this example, is \$300,000 for each agency that provides a minimum of \$4 million in TANF MOE expenditures (see subsection 2.5 on page 2-13).