

**Section IIE:**

**Request for Applications Under the Office of Community Services'**

**Fiscal Year 2003 Job Opportunities for Low-Income Individuals (JOLI) Program**

**ACTION:** Announcement of availability of funds and request for applications under the Office of Community Services' FY 2003 Job Opportunities for Low-Income Individuals (JOLI) Program.

**SUMMARY:** The Administration for Children and Families (ACF), Office of Community Services (OCS), announces that competing applications will be accepted for new grants pursuant to the Secretary's discretionary authority under section 505 of the Family Support Act of 1988, as amended.

**Dates:** The closing time and date for receipt of applications is 4:30 p.m. (Eastern Time Zone), August 11, 2003. Mailed or hand carried applications received after 4:30 p.m. on the closing date will be classified as late.

**CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER:** 93.593.

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## **Part A – Background Information**

### *1. Legislative Authority*

Section 505 of the Family Support Act of 1988, Public Law 100-485, as amended, authorizes the Secretary of HHS to enter into agreements with non-profit organizations (including faith-based organizations and community development corporations) for the purpose of conducting projects designed to create employment opportunities for certain low-income individuals (42 U.S.C. '9926).

### *2. Program Purpose*

The purpose of the JOLI program is to test and evaluate ways of creating employment and business opportunities for individuals receiving Temporary Assistance for Needy Families (TANF) assistance and other low-income individuals through self-employment, micro-enterprise, new business ventures, and expansion of existing businesses through technical and financial assistance and non-traditional initiatives.

### *3. Project Goals*

The ultimate goals of the projects to be funded under the JOLI Program are: (a) to achieve, through project Activities and interventions, the creation of new employment opportunities for TANF recipients and other low-income individuals which can lead to economic self-sufficiency of members of the communities served; (b) to evaluate the

effectiveness of these interventions and of the project design through which they were implemented; and (c) to make possible the replication of successful programs.

#### *4. Definitions of Terms*

For purposes of this program announcement, the following definitions apply:

*Budget and Project Periods* – This announcement is inviting applications for project periods up to three years. Awards, on a competitive basis, will be for up to three-year budget periods.

*Community-Level Data* – Key information to be collected by each grantee that will allow for a national-level analysis of common features of JOLI projects. This consists of data on the population of the target area, including the percentage of TANF recipients and others on public assistance, and the percentage whose income fall below the poverty line; the unemployment rate; the number of new business starts and business closings; and a description of the major employers and average wage rates and employment opportunities with those employers.

*Community Development Corporation* – A private, non-profit entity, governed by a board of directors consisting of residents of the community and business and civic leaders, that has a principal purpose planning, developing, or managing low-income housing or community development projects.

*Hypothesis* – An assumption made in order to test its validity. It should assert a cause-and-effect relationship between a program intervention and its expected result. Both the intervention and result must be measured in order to confirm the hypothesis. For

example, the following is a hypothesis: “Eighty hours of classroom training in small business planning will be sufficient for participants to prepare a successful loan application.” In this example, data would be obtained on the number of hours of training Actually received by participants (the intervention), and the quality of loan applications (the result), to determine the validity of the hypothesis (that eighty hours of training is sufficient to produce the result).

*Intervention* – Any planned activity within a project that is intended to produce changes in the target population and/or the environment and that can be formally evaluated. For example, assistance in the preparation of a business plan and loan package is planned intervention.

*Job Creation* – To bring about, by activities and services funded under this program, new jobs, that is, jobs that were not in existence before the start of the project. These activities can include self-employment/micro-enterprise training, the development of new business ventures or the expansion of existing businesses.

*Non-Profit Organization* – Any organization (including a faith-based organization or a community development corporation) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code.

*Non-Traditional Employment for Women or Minorities* – Employment in an industry or field where women or minorities currently make up less than twenty-five percent of the work force.

*Outcome Evaluation* – An assessment of project results as measured by collected data which define the net effects of the interventions applied in the project. An outcome evaluation will produce and interpret findings related to whether the interventions

produced desirable changes and their potential for replicability. It should answer the question: Did this project work?

*Private Employers* – Third party non-profit organizations or third party for-profit businesses operating or proposing to operate in the same community as the applicant, and which are proposed or potential employers of project participants.

*Process Evaluation* – The ongoing examination of the implementation of a program. It focuses on the effectiveness and efficiency of the program's activities and interventions (for example, methods of recruiting participants, quality of training activities, or usefulness of follow-up procedures). It should answer questions such as: Who is receiving what services and are the services being delivered as planned? It is also known as formative evaluation, because it gathers information that can be used as a management tool to improve the way a program operates while the program is in progress. It should also identify problems that occurred and how they were dealt with and recommend improved means of future implementation. It should answer the question: "How was the program carried out?" In concert with the outcome evaluation, it should also help explain, "Why did this program work/not work?"; and, "What worked and what did not?"

*Program Participant/Beneficiary* – An individual eligible to receive TANF assistance under Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Part A of Title IV of the Social Security Act) and any other individual whose income level does not exceed 100 percent of the official poverty line as found in the most recent revision of the Poverty Income Guidelines published by the Department of Health and Human Services. (See Attachment A.)

*Project Period* – The total time a project is approved for support, including any extensions.

*Self-Sufficiency* – A condition where an individual or family, by reason of employment, does not need and is not eligible for public assistance.

*Third Party* – Any individual, organization, or business entity that is not the direct recipient of grant funds.

*Third Party Agreement* – A written agreement entered into by the grantee and an organization, individual or business entity (including a wholly owned subsidiary), by which the grantee makes an equity investment or a loan in support of grant purposes.

*Third Party In-Kind Contributions* – The value of non-cash contributions provided by non-Federal third parties which may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

## **Part B – Program Objectives and Requirements**

The objective of the JOLI program is to conduct projects to create new employment and business opportunities for certain low-income individuals through the provision of technical and financial assistance to private employers in the community, self-employment/micro-enterprise programs, and/or new business development programs.

### *1. Eligible Applicants*

Organizations eligible to apply for funding under this program are non-profit organizations (including faith-based and community organizations and charitable

organizations) that are exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code.

Any non-profit organization submitting an application must submit proof of its non-profit status in its application at the time of submission. The non-profit agency can accomplish this by providing:

- a. A reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in the IRS Code;
- b. A copy of a currently valid IRS tax exemption certificate;

Applications that do not include proof of section 501(c)(3) or (4) tax-exempt status will be disqualified from the competition.

Private, non-profit organizations are encouraged to submit with their applications the optional survey located under "Grants Manuals & Forms" at:

**[www.acf.hhs.gov/programs/ofs/forms.htm](http://www.acf.hhs.gov/programs/ofs/forms.htm)**.

## *2. Project and Budget Periods*

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, reauthorized and modified section 505 of the Family Support Act of 1988, the JOLI authorizing legislation. Among the modifications effected was the deletion of sub-section (e) that had legislatively mandated project duration. Applicants are therefore free to apply for projects from one to three-year duration, depending on the proposed work program and the applicant's assessment of the time required to achieve the proposed project goals.

OCS has made the programmatic determination that the nature of job creation and career development projects that meet the funding criteria set forth in this announcement is such that it is not feasible to divide funding into 12-month increments, and that completion of the entire project is in each case necessary to achieve the purposes of the JOLI program. Consequently, budget periods for grants under this announcement may be up to three years.

### *3. Availability of Funds, Grant Amounts, and Priority Areas*

All grant awards are subject to the availability of appropriated funds. It is anticipated that approximately \$4.5 million will be available in FY 2003 for new JOLI grants.

OCS expects to award up to nine (9) new grants in FY 2003, based on the amount requested and contingent on the availability of funds. Given the limited funds available for the JOLI program, applicants should make a realistic assessment of the time, resources, and funds needed to achieve the goals set forth in their application, and design a work program and budget accordingly. The grant request should be for an amount needed, but not to exceed \$500,000, to implement that part of the project plan supported by OCS funds, taking into consideration other cash and in-kind resources mobilized by the applicant in support of the proposed project. (See Paragraph 4, below, Mobilization of Resources, and Part B, Element VI: Budget Appropriateness and Reasonable.)

In summary, grants of up to \$500,000 in OCS funds for project periods and budget periods of up to three years will be awarded to selected organizations under this program in FY 2003 under one of the following Priority Areas.

- a. Priority Area 1. Business Expansion
- b. Priority Area 2. Self-Employment/Micro-enterprise Projects
- c. Priority Area 3. New Business Ventures
- d. Priority Area 4. Non-Traditional Projects

Applications should focus on only one priority area under this program.

Applications requesting in excess of \$500,000 will automatically be screened out.

#### **a. Priority Area 1. Business Expansion**

Applicants applying under Priority Area Number 1 must show that the proposed project provided technical and/or financial assistance to businesses already in existence to allow the businesses to expand by helping them to obtain better marketing services, contracts, access to additional money to help the business grow, etc., resulting in the creation of new jobs.

#### **b. Priority Area 2. Self-Employment/Micro-enterprise Projects**

Self-employment is the creation of a business that is designed to employ a single individual such as home-based day care, graphic design, medical billings, seamstress, and secretarial service, etc. Micro-enterprise is the creation of a business that is designed to hire more than one person, i.e., a cleaning business that will create more than one job.

For Priority Area 2, OCS does not consider a job to have been created until contracts and/or subcontracts have been committed at the end of the training for each

of these self-employment/micro-enterprise businesses that ultimately may be construed as jobs. All applications under this priority area must address the following items:

- The types of self-employment and/or micro-enterprise businesses that may thrive in your target area
- Needs for such businesses in those communities
- Applicant's ability to help secure commitments of contracts/subcontracts at the end of the training for each of those self-employment/micro-enterprise businesses. More specifically, who is going to provide the contracts or subcontracts to the individuals that complete the entrepreneur training. The end result of the project should be jobs for low-income individuals. OCS wants to be assured that there are commitments (contracts/subcontracts) attached to entrepreneurs at the end of their training that will ultimately be construed as jobs.

### **c. Priority Area 3. New Business Venture**

Applicants applying under this priority area must show the development of a new business that will train and employ 40-100 TANF and/or low-income persons to work within that business. Applicant must submit a business plan that complies with the test of economic feasibility. Attachment K is a guideline for the business plan.

#### **d. Priority Area 4. Non-Traditional Projects**

Applicants applying under this priority area must show that these projects will train and employ women and minorities in industries and trades where they make up 25 percent or less of the workforce in local industries, for example, women and minorities in highway or heavy construction, machine tool and die, plumbing, construction, and deconstruction, computer repair, lead abatement, etc.

#### *4. Mobilization of Resources*

There is no match requirement for the Job Opportunities for Low-Income Individuals Program. However, OCS will give favorable consideration in the review process to applicants who mobilize cash and/or in-kind contributions for direct use in the project. The firm commitment of these resources must be documented and submitted with the application in order to be given credit in the review process under the Public-Private Partnerships project element (Part B, Element V). Except in unusual situations, this documentation must be in the form of letters of commitment from the organization(s)/ individual(s) from which resources will be received. Grantees will be held accountable for any match, cash or in-kind contribution proposed or pledged as part of an approved application. (See Part B, Element V, and Attachment D, Instructions for Completing the SF-424, section C, Non-Federal Resources).

#### *5. Program Participants/Beneficiaries*

A low-income individual eligible to participate in a project conducted under this program is any individual eligible to receive TANF assistance under a State program

funded under Part A of Title IV of the Social Security Act, or any other individual whose income level does not exceed 100 percent of the official poverty line (see Attachment A). Within these categories, emphasis should be on individuals who are receiving TANF assistance or its equivalent under State auspices; those who are unemployed; those residing in public housing or receiving housing assistance; non-custodial parents, and those who are homeless.

Attachment A to this announcement is an excerpt from the current poverty guidelines. Annual revisions of these guidelines are normally published in the Federal Register in February or early March. Grantees will be required to apply the most recent guidelines throughout the project period. These revised guidelines also may be obtained at public libraries, Congressional offices, by writing the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or by accessing the following website: <http://aspe.os.dhhs.gov/poverty/poverty.html>.

No other government agency or privately defined poverty guidelines are applicable for the determination of low-income eligibility for this program.

#### *6. Prohibition and Restrictions on the Use of Funds*

The use of funds for new construction or the purchase of real property is prohibited. If the applicant is proposing a project that will affect a property listed in, or is eligible for inclusion in, the National Register of Historic Places, it must identify this property in the narrative and explain how it has complied with the provisions of section 106 of the National Historic Preservation Act of 1966 as amended. If there is any

question as to whether the property is listed in, or is eligible for inclusion in, the National Register of Historic Places, the applicant should consult with the State Historic Preservation Officer. (See Attachment D: SF-424B) Failure to comply with the cited Act will result in the application being ineligible for funding consideration.

#### *7. Multiple Submittals*

Due to the limited amount of funds available under this program, only a single application from any one eligible applicant will be funded by OCS from FY 2003 JOLI funds pursuant to this announcement. The application must consist of one project only.

#### *8. Re-funding*

OCS will not provide funding to a previously funded grantee to carry out the same work plan in the same target area.

#### *9. Sub-contracting or Delegating Projects*

An applicant will not be funded where the application indicates that the applicant, if funded, will serve as a straw-party, that is, act as a mere conduit of funds to a third party without performing a substantive role itself. This prohibition does not bar sub-contracting or sub-awarding for specific services or activities needed to conduct the project.

## *10. Maintenance of Effort*

The application must include an assurance that activities funded under this Program Announcement are in addition to, and not in substitution for, activities previously carried out without Federal assistance. (See Attachment M.)

## *11. Program Focus*

The Congressional Conference Report on the 1992 appropriations for the Departments of Labor, Health and Human Services and Education and related agencies directed ACF to require economic development strategies as part of the application process to ensure that highly qualified organizations participate in the program. [H.R. Conf. Rep. No. 282, 102<sup>nd</sup> Cong., 1<sup>st</sup> Sess. 39 (1991)].

Priority will be given to applicants proposing to serve those areas containing the highest percentage of individuals receiving TANF assistance under a State program, which is funded under Part A of Title IV of the Social Security Act.

While projected employment in future years may be included in the application, it is essential that the focus of the project concentrate on the creation of new full-time, permanent jobs and/or new business development opportunities for TANF recipients and other low-income individuals during the grant project period. OCS is particularly interested in receiving innovative applications that grow out of the experience and creativity of applicants and the needs of their clientele and communities.

Applicants should include strategies which seek to integrate projects financed and jobs created under this program into a larger effort of broad community revitalization which will promote job and business opportunities for eligible program participants and impact the overall economic environment.

OCS will only fund projects that create new employment and/or business opportunities for eligible program participants. That is new, full-time permanent jobs through the expansion of a pre-identified business or new business development, or by providing opportunities for self-employment. In addition, projects should enhance the participants' capacities, abilities, and skills and thus contribute to their progress toward self-sufficiency.

With national welfare reform a reality, and many States implementing "welfare-to-work" programs, the need for well-paying jobs with career potential for TANF recipients becomes ever more pressing. In this context, the role of JOLI as a vehicle for exploring new and promising areas of employment opportunity for the poor is more important than ever.

Within the JOLI Program framework of job creation through new or expanding businesses or self-employment, OCS welcomes applications offering business or career opportunities to eligible participants in a variety of fields. For instance, these might include day care and transportation, which are not only opportunities for employment, but when not available can be serious barriers to employment for TANF recipients; environmental justice initiatives involving activities such as toxic waste cleanup, water quality management, or Brownfield's remediation; health-related jobs such as home health aides or medical support services; and non-traditional jobs for women and minorities.

### *12. Creation of Jobs and Employment Opportunities*

The requirement for creation of new, full-time permanent employment opportunities (jobs) applies to all applications. OCS has determined that the creation of non-traditional job opportunities for women or minorities in industries or activities where

they currently make up less than twenty-five percent of the work force meets the requirements of the JOLI legislation for the creation of new employment opportunities. OCS continues to solicit other JOLI applications that propose the creation of jobs through the expansion of existing businesses, the development of new businesses, or the creation of employment opportunities through self-employment/micro-enterprise development.

Proposed projects must show that the jobs and/or business/self employment opportunities to be created under this program will contribute to achieving self-sufficiency among the target population. The employment opportunities should provide hourly wages that exceed the minimum wage and also provide benefits such as health insurance, childcare, and career development opportunities.

*13. Cooperative Partnership Agreement with the Designated Agency Responsible for the TANF Program.*

A formal, cooperative relationship between the applicant and the designated State agency responsible for administering the TANF program (as provided for under Part A of Title IV of the Social Security Act) in the area served by the project is a requirement for funding. The application should include a signed, written agreement between the applicant and the designated State agency responsible for administering the TANF program. The agreement must describe the cooperative relationship, including specific activities and/or actions each of these entities propose to carry out over the course of the grant period in support of the project.

The agreement, at a minimum, must cover the specific services and activities that will be provided to the target population (see Attachment L for a list of the State Human Services Administrators administering TANF).

Applications submitted without an agreement with the TANF agency but indicates that it will have a cooperative relationship with the agency responsible for administering the Temporary Assistance For Needy Families Program (TANF) as provided for under title IV-A of the Social Security Act in the area served by the project will receive less points. (See Part B, Element III, Sub-element III(d).)

#### *14. Third Party Project Evaluation*

Applications must include provision for an independent methodologically sound evaluation of the effectiveness of the activities carrier out with the grant and their efficacy in creating new jobs and business opportunities. There must be a well-defined process evaluation and an outcome evaluation whose design will permit tracking of project participants throughout the proposed project period. The evaluation must be conducted by an independent evaluator, i.e., a person with recognized evaluation skills who is organizationally distinct from, and not under the control of the applicant. It is important that each successful applicant should have a third party evaluator selected and performing at the very latest by the time the work program of the project is begun, and if possible before that time, so that he or she can participate in the final design of the program in order to assure that data necessary for the evaluation will be collected and available.

### *15. Economic Development Strategy*

In the Conference Report on the FY 1992 appropriation, Congress directed ACF to require economic development strategies as part of the application process for JOLI to ensure that highly qualified organizations participate in the program. Accordingly, applicants must include in their application an explanation of how the proposed project is integrated with and supports a larger economic development strategy within the target community. Where appropriate, applicants should document how they were involved in the preparation and planned implementation of a comprehensive community-based strategic plan, such as that required for applying for Empowerment Zone/Enterprise Community (EZ/EC) status, to achieve both economic and human development in an integrated manner, and how the proposed project supports the goals of that plan. (See Part B, Sub-Element III(b).)

### *16. Training and Support for Micro-Business Development*

In the case of applications for creating self-employment micro-business opportunities for eligible participants, the applicant must detail how it will provide training and support services to potential entrepreneurs. The assistance to be provided to potential entrepreneurs must include, at a minimum: (a) technical assistance in basic business planning and management concepts; (b) assistance in preparing a business plan and loan application; and, (c) access to business loans.

### *17. Cooperative Partnership Agreement with the Designated Agency Responsible for the CSE Program Support for Non-Custodial Parents*

The Office of Community Services (OCS) and the Office of Child Support Enforcement (OCSE), both part of ACF, signed a Memorandum of Understanding (MOU) to foster and enhance partnerships between OCS grantees and local Child Support Enforcement (CSE) agencies. (See Attachment N for the list of CSE State Offices that can identify local CSE agencies.) In the words of the MOU:

“The purpose of these partnerships will be to develop and implement innovative strategies in States and local communities to increase the capability of low-income parents and families to fulfill their parental responsibilities. Too many low-income parents are without jobs or resources needed to support their children. A particular focus of these partnerships will be to assist low-income, non-custodial parents of children receiving TANF to achieve a degree of self-sufficiency that will enable them to provide support that will free their families of the need for such assistance.”

Accordingly, a rating factor and a review criterion have been included in this Program Announcement that will award two points to applicants who have entered into partnership agreements with their local CSE agency to provide for referrals to their project in accordance with provisions of the OCS-OCSE MOU (see Part B, Sub-Element III(c)).

#### *18. Technical Assistance to Employers*

Technical assistance should be specifically addressed to the needs of the private employer in creating new jobs to be filled by eligible individuals and/or to the individuals themselves in areas such as job-readiness, literacy, and other basic skills training, job preparation, self-esteem building, etc. Financial assistance may be provided to the private employer as well as to the individual.

If the technical and/or financial assistance is to be provided to pre-identified businesses that will be expanded or franchised, written commitments from the businesses to create the planned jobs must be included with the application.

#### *19. Applicant Experience and Cost-per-Job*

In the review process, favorable consideration will be given to applicants with a demonstrated record of achievement in promoting job and enterprise opportunities for low-income people.

The Office of Community Services will not fund projects where the cost-per-job in OCS funds exceeds \$10,000. Favorable consideration will be given to those applicants who show the lowest cost-per-job created for low-income individuals.

#### *20. Loan Funds*

The creation of a revolving loan fund with funds received under this program is an allowable activity. However, OCS encourages the use of funds from other sources for this purpose. Loans made to eligible beneficiaries for business development activities must be at or below market rate.

**NOTE:** Interest accrued on revolving loan funds may be used to continue or expand the activities of the approved project.

#### *21. Business Plan*

Where the applicant is proposing the development and startup of a new business or the expansion of an existing business, a business plan that follows the outline in Attachment K to this announcement must be submitted as an Appendix to the application.

## *22. Dissemination of Project Results*

Applications should include a plan for disseminating the results of the project after expiration of the grant period. Applicants may budget up to \$2,000 for dissemination purposes. Final project reports should include a description of dissemination activities with copies of any materials produced.

## *23. Third Party Agreements*

Any applicant submitting an application for funding who proposes to use some or all of the requested OCS funds to enter into a third party agreement in order to make an equity investment (such as the purchase of stock) or a loan to an organization, or business entity (including a wholly-owned subsidiary), must include in the application, along with the business plan, a copy of the signed third party agreement for approval by OCS.

A third party agreement covering an equity investment must contain, at a minimum, the following:

- a. The type of equity transaction (e.g. stock purchase);
- b. Purpose(s) for which the equity investment is being made;
- c. Cost per share;
- d. Number of shares being purchased;
- e. Percentage of ownership of the business; and,
- f. Number of seats on the board, if applicable.

A third party agreement covering a loan transaction must contain, at a minimum, the following information:

- g. Purpose(s) for which the loan is being made;
- h. Rates of interest and other fees;
- i. Terms of loan;
- j. Repayment schedules;
- k. Collateral security; and
- l. Default and collection procedures.

All third party agreements must include written commitments as follows:

From the third party (as appropriate):

- m. A minimum of 75 percent of the jobs to be created as a result of the infusion of grant funds will be filled by low-income individuals;
- n. The grantee will have the right to screen applicants for jobs to be filled by low-income individuals and to verify their eligibility;
- o. If the grantee's equity investment equals 25 percent or more of the business' assets, the grantee will have representation on the board of directors;
- p. Reports will be made to the grantee regarding the use of grant funds no less than on a quarterly basis;
- q. A procedure will be developed to assure that there are no duplicate counts of jobs created; and
- r. Detailed information should be provided on how the grant funds will be used by the third party by submitting a narrative Source and Use of Funds Statement. In addition, the agreement must provide details on how the grantee will provide support and technical assistance to the third party in areas of recruitment and retention of low-income individuals.

From the grantee:

Detailed information on how the grantee will provide support and technical assistance to the third party in areas of recruitment and retention of low-income individuals.

All third party agreements should be accompanied by:

- s. A signed statement from a Certified or Licensed Public Accountant as to the sufficiency of the third party's financial management system in accordance with 45 CFR 74, to protect adequately any federal funds awarded under the application;
- t. Financial statements for the third party organization for the prior three years. (If not available because the organization is a newly-formed entity, include a statement to this effect); and
- u. Specifications as to how the grantee will provide oversight of the third party for the life of the agreement. Also, the agreement will specify that the third party will maintain documentation related to the expenditure of grant funds loaned to or invested in the third party and grant objectives as specified in the agreement and will provide the grantee and HHS access to that documentation.

If a signed third party agreement is not available when the application is submitted, the applicant must submit, as part of the narrative, as much of the above-mentioned information as possible in order to enable reviewers to evaluate the application.

**NOTE:** Funded applications with funds for a third party agreement will not have those funds released until the agreement has been approved by the Office of Community Services.

## 24. Evaluation Criteria

### **Application Elements and Review Criteria for Applications**

Each application that passes the initial screening will be assessed and scored by three independent reviewers. Each reviewer will give a numerical score for each application reviewed. These numerical scores will be supported by explanatory statements on a formal rating form describing major strengths and weaknesses under each applicable criterion published in the Announcement. Scoring will be based on a total of 100 points, and for each application will be the average of the scores of the three reviewers.

The competitive review of applications will be based on the degree to which applicants:

- a. adhere to the requirements in PART B and incorporate each of the Elements and Sub-Elements below into their applications, so as to:
- b. describe convincingly a project that will develop new employment or business opportunities for TANF recipients and other low-income individuals that can lead to a transition from dependency to economic self-sufficiency;
- c. propose a realistic budget and time frame for the project that will support the successful implementation of the work plan to achieve the projects goals in a timely

and cost effective manner; and

- d. provide for the collection and validation of relevant data to support the national evaluation.

In order to simplify the application preparation and review process, OCS seeks to keep grant applications cogent and brief. Applications with project narratives (excluding Project Summaries, Budget Justifications and Appendices) of more than 30 letter-sized pages of 12-pitch type or equivalent on single sided will not be reviewed for funding.

Applicants should prepare and assemble their project description using the following outline of required project elements. They should, furthermore, build their project concept, plans, and application description upon the guidelines set forth for each of the project elements.

Project descriptions are evaluated on the basis of substance, not length. Pages should be numbered and a table of contents should be included for easy reference. For each of the Project Elements or Sub-Elements below, there is at the end of the discussion a suggested number of pages to be devoted to the particular element or sub-element. These are suggestions only, but the applicant must remember that the overall Project Narrative must not be longer than 30 pages.

## **Evaluation Criterion I: Approach (Maximum: 30 points)**

### *Element I: Project Theory, Design and Plan*

OCS seeks to learn from the application why and how the project, as proposed, is expected to lead to the creation of new employment opportunities for low-income individuals, which can lead to significant improvements in individual and family self-sufficiency.

Applicants are urged to design and present their project in terms of a conceptual cause effect framework. In the following paragraphs, a framework is described that suggests a way to present a project so as to show the logic of the cause-effect relations between project activities and project results. Applicants are not required to use the exact language described; but it is important to present the project in a way that makes clear the cause-effect relationship between what the project plans to do and the results it expects to achieve.

### *Sub-Element I(a) – Description of Target Population, Analysis of Need and Project Assumptions (Weight of 0–10 points in application review)*

The project design or plan should begin by identifying the underlying program assumptions. These are the beliefs on which the proposed program is built. These

assumptions include: the needs of the population to be served; the current services available to that population, and where and how they fail to meet their needs; why the proposed services or interventions are appropriate and will meet those needs; and the impact the proposed interventions will have on the project participants. In other words, the underlying assumptions of the program are the applicant's analysis of the needs and problems to be addressed by the project, and the applicant's theory of how its proposed interventions will address those needs and problems to achieve the desired result.

Thus a strong application is based upon a clear description of the needs and problems to be addressed and a persuasive understanding of the causes those problems. (0-4 Points)

In this sub-element of the application, the applicant must precisely identify the target population to be served. The geographic area to be impacted should then be described briefly, citing the percentage of low-income individuals and TANF recipients, as well as the unemployment rate and other data relevant to the project design. (0 – 2 Points)

The application should include an analysis of the identified personal barriers to employment, job retention and greater self-sufficiency faced by the target population. (These might include such problems as illiteracy, substance abuse, family violence, lack of skills training, health or medical problems, need for child care, lack of suitable clothing or equipment or poor self-image.) (0 – 2 Points)

The application should also include an analysis of the identified community systemic barriers that the project will seek to overcome. These might include lack of jobs (high unemployment rate); lack of public transportation; lack of markets; unavailability of financing, insurance or bonding; inadequate social services

(employment service, child care, job training); high incidence of crime; inadequate health care; or environmental hazards (such as toxic dumpsites or leaking underground tanks). (0 – 2 Points)

Applicants should be sure not to overlook the personal and family services and support that might be needed by project participants after they are on the job which will enhance job retention and advancement.

If the jobs to be created by the proposed project are themselves designed to fill one or more of the needs, or remove one or more of the barriers so identified, this fact should be highlighted in the discussion, e.g., jobs in child care, health care or transportation.

It is suggested that applicants use no more than 4 pages for this sub-element.

*Sub-Element I(b) – Project Strategy and Design: Interventions, Outcomes and Goals  
(Weight of 0-10 points in application review)*

The work plan must describe the proposed project activities, or interventions, and explain how they are expected to result in outcomes that will meet the needs of the program participants and assist them to overcome the identified personal and systemic barriers to employment, job retention and self-sufficiency. In other words, what will the project staff do with the resources provided to the project and how will what they do (interventions) assist in creating and sustaining employment and business opportunities for program participants in the face of the needs and problems that have been identified? (0 – 4 Points)

The underlying assumptions concerning client needs and the theory of how they can be effectively addressed, which are discussed above, lead in the project design to the conduct of a variety of project activities or interventions, each of which is assumed to result in immediate changes or outcomes. The immediate changes lead to intermediate outcomes; and the intermediate outcomes lead to the attainment of the final project goals.

The applicant should describe the major activities, or interventions, which are to be carried out to address the needs and problems identified in Sub-Element II(a); and should discuss the immediate changes or outcomes, which are expected to result. These are the results expected from each service or intervention immediately after it is provided. For example, a job readiness training program might be expected to result in clients having increased knowledge of how to apply for a job, improved grooming for job interviews, and improved job interview skills; or business training and training in bookkeeping and accounting might be expected to result in project participants making an informed decision about whether they are suited for entrepreneurship. (0 – 2 Points)

At the next level are the intermediate outcomes, which result from these immediate changes. Often an intermediate project outcome is the result of several immediate changes resulting from a number of related interventions such as training and counseling. Intermediate outcomes should be expressed in measurable changes in knowledge, attitudes, behavior, or status/condition. In the above examples, the immediate changes achieved by the job readiness program, coupled with technical assistance to an employer in the expansion of a business, could be expected to lead to intermediate outcomes of creation of new job openings and in the participant applying

for a job with the company. The acquisition of business skills, coupled with the establishment of a loan fund, could be expected to result in the actual decision by the participant to go into a particular business venture or seek the alternative track of pursuing job readiness and training. (0 – 2 Points)

Finally, the application should describe how the achievement of these intermediate outcomes will be expected to lead to the attainment of the project goals; employment in newly created jobs, new careers in non-traditional jobs, successful business ventures, or employment in an expanded business, depending on the project design. Applicants must remember that if the major focus of the project is to be the development and start-up of a new business or the expansion of an existing business, then a business plan that follows the outline in Attachment K to this announcement must be submitted as an appendix to the application. (See Part B) (0 – 2 Points)

Applicants do not have to use the exact terminology described above, but it is important to describe the project in a way that makes clear the expected cause-and-effect relationship between what the project plans to do: the activities or interventions, the changes that are expected to result and how those changes will lead to attainment of the project goals of new employment opportunities and greater self-sufficiency. The competitive review of this sub-element will be based on the extent to which the application makes a convincing case that the activities to be undertaken will lead to the projected results.

It is suggested that applicants use no more than 4 pages for this sub-element.

*Sub-Element I(c) – Work Plan (Weight of 0-10 points in application review)*

Once the project strategy and design framework is established, the applicant should present the highlights of a work plan for the project. The plan should explicitly tie into the project design framework and should be feasible, i.e., capable of being accomplished with the resources, staff and partners available. The plan should briefly describe the key project tasks and show the time lines and major milestones for their implementation. Critical issues or potential problems that might affect the achievement of project objectives should be explicitly addressed, with an explanation of how they would be overcome, and how the objectives will be achieved notwithstanding any such problems. The plan should be presented in such a way that it can be correlated with the budget narrative included earlier in the application. Applicants may be able to use a simple Gantt or timeline chart to convey the work plan in minimal space. (0 – 5 Points)

The application contains a full and accurate description of the proposed use of the requested financial assistance. If the applicant proposes to make an equity investment or a loan to an individual, organization, or business entity (including a wholly-owned subsidiary), the application must include: A signed third party agreement; a signed statement by a Certified or Licensed Public Accountant as to the sufficiency of the third party's financial management system; and financial statements for the third party's prior three years of operation. (If newly formed and unable to provide the information regarding the prior three years of operation, a statement to that effect should be included.) If the applicant states that an agreement is not currently in place, the application must contain in the narrative as much information required for third party agreements as is available. Also, if the project proposes the development of a new or

expanded business, service, physical or commercial activity, the application must address applicable elements of a business plan. Guidelines for a business plan are included in Attachment K. (0 – 2 Points)

Special attention should be given to assure that the financial plan element, which indicates the project's potential and timetable for financial self-sufficiency, is included. It must include for the applicant and the third party, if appropriate, the following exhibits for the first three years (on a quarterly basis) of the business' operations: Profit and Loss Forecasts, Cash Flow Projections and Pro Forma Balance Sheets. Based on these documents, the application must also contain an analysis of the financial feasibility of the project. Also, a narrative "Source and Use of Funds" statement for all project funding must be included. (0 – 3 Points)

It is suggested that applicants use no more than 3 pages for this sub-element.

## **Evaluation Criteria II: Results or Benefits Expected (Maximum: 25 points)**

### *Element II: Significant and Beneficial Impact*

Sub-Element II(a) – Quality of Jobs/Business Opportunities (Weight of 0-10 points in application review)

The proposed project is expected to produce permanent and measurable results that will reduce the incidence of poverty in the community and lead welfare recipients from welfare dependency toward economic self-sufficiency. Results are expected to be quantifiable in terms of the creation of permanent, full-time jobs; the development of business opportunities; the expansion of existing businesses; or the creation of non-traditional employment opportunities. In developing business opportunities and self-

employment for TANF recipients and low-income individuals; the applicant proposes, at a minimum, to provide basic business planning and management concepts, and assistance in preparing a business plan and loan package. (0 – 5 Points)

The application should document that:

The business opportunities to be developed for eligible participants will contribute significantly to their progress toward self-sufficiency; and/or jobs to be created for eligible participants will contribute significantly to their progress toward self-sufficiency.

For example, they should provide salaries that exceed the minimum wage,nnii0269;i(nt. )Tj=0.0002 Tc

It is suggested that applicants use no more than 2 pages for this sub-element.

Sub-Element II(c) – Support for Non-custodial Parents (Weight of 0-2 points in application review)

Applicants who have entered into partnership agreements with local CSE Agencies will also receive special consideration upon demonstrating they have developed and implemented innovative strategies to increase the capability of low-income parents and families, which assists them to fulfill their parental responsibilities. In addition, such partnership agreements should include referrals of identified income eligible families and non-custodial parents economically unable to provide child support to the applicant's project.

To receive the full credit of two points, applicants should include, as an Appendix to the application, a signed letter of agreement with the local CSE Agency for referral of eligible non-custodial parents to the proposed project. See Attachment N for information on the location of the local CSE Agency in your state.

It is suggested that applicants use no more than 1 page for this sub-element.

Sub-Element II(d) – Cooperative Partnership Agreement with the Designated Agency Responsible for the TANF Program (Weight of 0 - 5 points in application review)

The application should include a signed, written agreement between the applicant and the designated State agency responsible for administering the TANF Program. The agreement, at a minimum, must cover the specific services and activities that will be provided to the target population. Applications that contain such an agreement will receive the maximum five (5) points.

Applications that have not included a signed written agreement but document that the organization is in the process of securing a cooperative relationship with the agency responsible for administering the Temporary Assistance For Needy Families Program (TANF) (as provided for under Title IV-A of the Social Security Act) in the area served by the project will receive a much lesser point. (2 Points)

It is suggested that applicants use no more than 1 page for this sub-element.

Sub-Element II(e) – Cost-Per-Job (Weight of 0-5 points in application review)

The applicant should document that during the project period the proposed project will create new, permanent jobs through business opportunities or non-traditional employment opportunities for low-income residents. The cost-per-job should be calculated by dividing the total amount of grant funds requested (e.g., \$500,000) by the number of jobs to be created (e.g., 50) which would equal the cost-per-job (\$10,000). In making calculations of cost-per-job, only jobs filled by low-income project participants may be counted. (See Part B, Item 19, Applicant Experience and Cost-per-job.)

**Note:** The Office of Community Services will not fund projects where the cost-per-job in OCS funds exceeds \$10,000. The maximum number of points will be given only to those applicants proposing cost-per-job created estimates of \$10,000 or less of OCS requested funds.

It is suggested that applicants use no more than 1 page for this sub-element.

**Evaluation Criterion III: Organizational Profiles (Maximum: 20 points)**

*Element III – Organizational Experience in Program Area and Staff Skills, Resources and Responsibilities*

*Sub-Element III(a) – Agency’s Experience and Commitment in Program Area (Weight of 0-10 points in application review)*

Applicants should cite their organization’s capability and relevant experience in developing and operating programs which deal with poverty problems similar to those to be addressed by the proposed project. They should also cite the organization’s experience in collaborative programming and operations that involve evaluations and data collection. Applicants should identify agency executive leadership in this section and briefly describe their involvement in the proposed project and provide assurance of their commitment to its successful implementation. (0 - 6 Points.)

The application should include documentation that briefly summarizes two similar projects undertaken by the applicant agency and the extent to which the stated and achieved performance targets, including permanent benefits to low-income populations, have been achieved. The application should note and justify the priority that this project will have within the agency, including the facilities and resources that it has available to carry it out. (0 – 4 Points)

It is suggested that applicants use no more than 2 pages for this sub-element.

**Note:** The maximum number of points will be given only to those organizations with a demonstrated record of achievement in promoting job creation and enterprise opportunities for low-income people.

*Sub-Element III(b) – Staff Skills, Resources and Responsibilities (Weight of 0-10 points in application review)*

The application must identify the two or three individuals who will have the key responsibility for managing the project, coordinating services and activities for participants and partners, and for achieving performance targets. The focus should be on the qualifications, experience, capacity and commitment to the program of the executive officials of the organization and the key staff persons who will administer and implement the project. The person identified as project director should have supervisory experience, experience in finance and business, and experience with the target population. Because this is a new project, within an already-established agency, OCS expects that the key staff person(s) would be identified, if not hired, or provide an estimated hiring time line for each individual to be on board. (0 – 5 Points)

The application must also include a resume of the third party evaluator, if identified or hire; or the minimum qualifications and position description for the third party evaluator, who must be a person with recognized evaluation skills who is organizationally distinct from and not under the control of applicant. (See Part B,

Element IV: Project Evaluation, below, for fuller discussion of evaluator qualifications.)  
(0 – 3 Points)

Actual resume of key staff and position descriptions should be included in an appendix to the application. (0 – 2 Points)

It is suggested that applicants use no more than 3 pages for this sub-element.

#### **Evaluation Criteria IV: Project Evaluation (Maximum: 15)**

*Element IV: Project Evaluation (Weight of 0-15 points in the application review)*

Sound evaluations are essential to the JOLI Program. OCS requires each application to include a well thought through outline of an Evaluation Plan for the project. The outline should explain how the applicant proposes to answer the key questions about how effectively the project will be implemented such as 1) whether the project activities or interventions achieve the expected immediate outcomes; 2) why or why not (the process evaluation); 3) whether and to what extent the project achieved its stated goals; and 4) why or why not (the outcome evaluation). Together the process and outcome evaluations should answer the question: “What did this program accomplish and why did it work/not work?” (0 – 5 Points)

Applicants should ensure, above all, that the evaluation outline presented is consistent with their project design. A clear project framework of the type recommended earlier identifies the key project assumptions about the target population and their needs, as well as the hypotheses, or expected cause-effect relationships to be tested in the project; and the proposed project activities, or interventions, that will address those needs in ways that will lead to the achievement of the project goals of self-sufficiency. It also identifies in advance the most important process and outcome

measures that will be used to identify performance success and expected changes in individual participants, the grantee organization and the community. (0 – 3 Points)

Applicants are not being asked to submit a complete and final Evaluation Plan as part of their application, but they must include:

1. A well thought through Evaluation Plan outline that identifies the principal cause-and-effect relationships to be tested, and that demonstrates the applicant's understanding of the role and purpose of both process and outcome evaluations (see previous paragraph); (0 – 2 Points)

2. The identity and qualifications of the proposed independent third party evaluator, i.e., a person or organization with recognized evaluation skills. Assurance that they will be organizationally distinct from and not under the control of, the applicant. The third party evaluators qualifications must include successful experience in evaluating social service delivery programs, and the planning and/or evaluation of programs designed to foster self-sufficiency in low-income populations; (0 – 2 Points) and

3. A commitment to the selection of a third party evaluator approved by OCS and completion of a final evaluation design and plan, in collaboration with the approved evaluator and the OCS evaluation technical assistance contractor during the six-month start-up period of the project, if funded. (0 – 1 Points)

Finally, as noted above, the outline should provide for prompt reporting, concurrently with the semi-annual program progress reports, of lessons learned during the course of the project, so that they may be shared without waiting for the final

evaluation report. For all these reasons, it is important that each successful applicant have a third party evaluator selected and performing at the very latest by the time the work program of the project is begun, and if possible before that time so that he or she can participate in the final design of the program and assure that data necessary for the evaluation will be collected and available. Plans for selecting an evaluator should be included in the application narrative. A third party evaluator must have knowledge of and experience in conducting process and outcome evaluations in the job creation field, and have thorough understanding of the range and complexity of the problems faced by the target population. (0 –2 Points)

The competitive procurement regulations (45 CFR Part 74, Sections 74.40 – 74.48, esp. 74.43) apply to service contracts such as those for evaluators.

It is suggested that applicants use no more than 3 pages for this element, plus the resume or position description for the evaluator, which should be in an appendix.

### **Evaluation Criteria V: Non-Federal Resources (Maximum: 5 points)**

*Element V: Public/Private Partnerships and Resources (Weight of 0-5 points in the application review)*

The application should briefly describe any public/private partnerships, which will contribute to the implementation of the project. Where partners' contributions to the project are a vital part of the project design and work program, the narrative should describe undertakings of the partners. A partnership agreement specifying the roles of the partners and making a clear commitment to the fulfilling of the partnership role must

be included in an appendix to the application. The firm commitment of mobilized resources must be documented and submitted with the application in order to be given credit under this element. The application should meet the following criteria:

Where other resources are mobilized, the application must provide documentation that public and/or private sources of cash and/or third party-in-kind contributions will be available in the form of letters of commitment from the organization(s)/individual(s) from which resources will be received. Applications that can document dollar for dollar contributions equal to the OCS funds, and demonstrate that the partnership agreement clearly relates to the objectives of the proposed project will receive the maximum number of points for this criterion. Lesser contributions will be given consideration based upon the value documented.

**Note:** Even though there is no matching requirement for the JOLI Program, grantees will be held accountable for any match, cash or in-kind contribution proposed or pledged as part of an approved application. (See Part B, Item 4 – Mobilization of Resources.)

- Partners involved in the proposed project should be responsible for substantive project activities and services. Applicants should note that partnership relationships are not created via service delivery contracts.

It is suggested that applicants use no more than 4 pages for this element.

## **Evaluation Criteria VI: Budget and Budget Justification (Maximum: 5 points)**

*Element VI: Budget Appropriateness and Reasonableness (Weight of 0-5 points in application review)*

Applicants must submit a detailed budget breakdown and a budget narrative or explanatory budget information for each of the budget categories in the SF-424A. The duration of the proposed project and the funds requested in the budget must be commensurate with the level of effort necessary to accomplish the goals and objectives of the project. The estimated cost to the government of the project should be reasonable in relation to the project's duration and to the anticipated results. The applicant presents a reasonable administrative cost. (0 – 3 Points)

Applicants must also include a Source and Use Document showing total project cost and the document should include all mobilized resources to accomplish project purposes within the proposed time frame. (0 – 2 Points)

This budget narrative and Source and Use Document are not considered a part of the project narrative, and does not count as part of the 30 page limitation but rather should be included in the application following the budget forms (SF-424 and SF-424A).

Applicants should include funds in the project budget for travel by project directors and chief evaluators to attend two national evaluation workshops in Washington, D.C.