

Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program
Fiscal Year (FY) 2016 Formula Funding Opportunity Announcement (FOA) HRSA-16-172
Frequently Asked Questions
Version 1

Funding Plan

1. How was the formula funding plan redesign developed?

The first few years of the program were focused on establishing and expanding programs. The number of children and parents served by the Federal Home Visiting Program has tripled since 2012 – from 34,180 to 115,545 — and the number of home visits provided has quadrupled, with more than 1.4 million home visits provided from 2012 to 2014.

Now that the programs are more established, the FY 2016 funding plan will provide funding stability and predictability for recipients, by shifting to a largely formula-based distribution. The new FY 2016 formula funding plan has been redesigned to support the following policy principles:

1. Address need - to meet the needs of eligible families – especially at-risk families – in at-risk communities;
2. Support service - to target funds to recipients’ capacity to serve families;
3. Reward performance - to reward quality and, ultimately, improved outcomes; and
4. Promote stability and continuity - to provide more consistent, stable funding from year to year to continue to support families.

The redesigned FY 2016 MIECHV funding plan includes formula grants (representing in total approximately \$345,000,000 of all FY 2016 funds available to recipients) calculated to include two components: Base Need funding (based on population need) and Structured Stability funding (based on averages of previous funding awards).

2. How did HRSA calculate the grant award ceiling amounts?

The redesigned FY 2016 MIECHV formula funding plan supports the following policy principles:

1. Address need - to meet the needs of eligible families – especially at-risk families – in at-risk communities;
2. Support service - to target funds to recipients’ capacity to serve families;
3. Reward performance - to reward quality and, ultimately, improved outcomes; and
4. Promote stability and continuity - to provide more consistent, stable funding from year to year to continue to support families.

The following formula is applied to the majority of FY 2016 funding available to states and territories (approximately \$345,000,000) to accomplish the above stated policy principles:

- **Base Need Funding**—Approximately \$126,000,000 of the grant allocation available under this funding opportunity is distributed based on the proportion of children under five living in poverty as calculated by the Census Bureau’s Small Area Income and Poverty Estimates (SAIPE). 2013 SAIPE data were used. The calculated amount is subtracted by the proportion of

the FY 2012 de-obligation amount to the total FY 2012 award, as reported to HRSA as of September 9, 2015, if applicable. There is a \$1,000,000 minimum for recipients.

- **Structured Stability Funding**—Approximately \$216,000,000 of the grant allocation available under this funding opportunity is based on an average of the recipient’s competitive awards in federal FYs 2013, 2014, and 2015 as a proportion of total competitive funds awarded across those years. This proportion was then applied to \$216,000,000 of available funds under this funding opportunity to determine the structured stability component of the funding allocation formula.
- Note: With the remainder of funds available under this funding opportunity, the total amount an applicant may apply for was adjusted, where necessary, to ensure that any recipient funding does not fluctuate by more than 10% from the average funding amount (combined formula and competitive) of federal FYs 2013, 2014, and 2015.

Applicants should request funds not exceeding the total grant award ceiling.

3. How were de-obligated funds considered in the formula?

The calculated Base Need Funding amount was subtracted by the proportion of the FY 2012 de-obligation amount to the total FY 2012 award, as reported to HRSA as of September 9, 2015, if applicable.

4. When does HRSA expect to award FY 2017 formula grants?

The FOA states that by June 30, 2017, recipients will be required to submit an interim application and prior year annual report for FY 2017 funds and that funds are proposed to be awarded by the end of FY 2017 (September 30, 2017). HRSA expects that awards will be made near the end of FY 2017.

Due to the period of availability stated in statute, grantees have until September 30, 2017, to spend existing FY 2015 grant awards, and September 30, 2018, to spend forthcoming FY 2016 grant awards. This extensive period of availability will allow grantees flexibility to plan and budget appropriately in preparation for the timeframe for release of FY 2017 formula awards.

5. May recipients expect to receive similar formula funding awards in FY 2017 as they will receive in FY 2016?

As part of our commitment to funding stability, HRSA anticipates maintaining the formula structure for recipients in FY 2017. The ultimate funding levels will be dependent on availability of appropriations. Under current law, the funding would be subject to sequestration in FY 2017.

6. Why is HRSA also releasing some funds through a competitive FOA?

This Formula FOA is the primary venue for funding for evidence-based home visiting services and services provided under a model that qualifies as a promising approach subject to restrictions described in the FOA. The FY 2016 funding plan has been redesigned to distribute the majority of FY 2016 funds available to recipients via formula awards. Pending approval, a smaller portion of FY 2016 funds (estimated \$18 million) will be distributed in up to 15 awards via a competitive FOA to support innovation by MIECHV grantees. The competitive FOA will be released in spring 2016 with funds awarded by late FY 2016. Additional information will be forthcoming in early calendar year 2016.

Budget

7. The project/budget period for these grants will be April 1, 2016 through September 30, 2018 (two years and six months). Should applicants submit annual budgets or one budget for the entire two years and six months?

Pursuant to the authorizing statute, funds awarded to a recipient for a federal FY under this FOA shall remain available for expenditure by the recipient through the end of the second succeeding federal FY after award. Applicants must provide one budget that describes the expenditure of grant funds at all points during the period of availability. Applicants are not required to maintain the same rate of expenditure or the same level of home visiting services throughout the full period of availability but must demonstrate that home visiting services will be made available throughout the project period (the full period of availability). Reminder: FY 2016 grant funds that have not been obligated for expenditure by the recipient during the period of availability for use by the recipient will be de-obligated.

Applicants are also asked to submit a Period of Availability Spreadsheet that includes the proposed budget by line item (personnel, fringe, travel, supplies, contractual, other) for each individual FY of the two year and six month project period/period of availability (April 1, 2016, to September 30, 2018), as well as additional columns that indicate the amount of money remaining from previous MIECHV grants (FY 2014 and FY 2015 funds) by line item (personnel, fringe, travel, supplies, contractual, other). These columns should indicate how remaining funding is proposed to be spent in FY 2016 and FY 2017.

Applicants must provide the proposed budget spreadsheet (as Attachment 8) by line item (personnel, fringe, travel, supplies, contractual, other). The line items may represent rows in the spreadsheet. Define the columns as listed below:

Column 1: Year 1: April 1, 2016—September 30, 2016

Column 2: Remaining funding from FY 2014 to be spent April 1, 2016-September 30, 2016

Column 3: Remaining funding from FY 2015 to be spent April 1, 2016-September 30, 2016

Column 4: Year 2: October 1, 2016—September 30, 2017

Column 5: Remaining funding from FY 2015 to be spent October 1, 2016—September 30, 2017

Column 6: Year 3: October 1, 2017 – September 30, 2018

8. The FOA states that the project/budget period will be April 1, 2016 through September 30, 2018. Must FY 2016 funds be budgeted to support some level of services during the whole period, or may applicants indicate that services after September 30, 2017, will be supported with anticipated FY 2017 funding in order to demonstrate that services would remain available during that period?

The FOA states that recipients must provide a budget that describes the expenditure of grant funds at all points during the period of availability. Recipients are not required to maintain the same rate of expenditure or the same level of home visiting services throughout the full period of availability but must demonstrate that home visiting services will be made available throughout the project period (the full period of availability). As a result, the answer is yes, states must budget their FY 2016 total grant awards to support some level of services during this entire period, and the budget plan should not include an estimate of FY 2017 funding as a resource for services after September 30, 2017. (Although

not part of the budget for the FY 2016 award, when available, the FY 2017 award could be used to supplement activities after September 30, 2017.)

9. Why must grantees budget across the full period of availability?

Without previous guidance on budgeting within the period of availability, grantees interpreted the period of availability in various ways and budgeted funds accordingly, potentially resulting in financial instability for some grantees that planned to spend down the vast majority of funds in the first year of the period of availability or large amounts of deobligations by grantees that delayed the spending of funds. Consistency across grantees in budgeting, while supporting flexibility, over the entire period of availability rather than solely for the first year, best mitigates against future funding uncertainties and supports stronger grantee fiscal planning. Further, as a general matter, the budget period is intended to be the period over which the federal funds are spent.

HRSA will provide technical assistance to grantees on all aspects of the program, including the potential need to support reduction of services. Where possible, HRSA will support grantees in reducing services through natural attrition of families and referral of currently served families to other local high-quality early childhood programs.

10. How can recipients increase efficiency in infrastructure expenditures?

Absent prior approval from HRSA, no more than 25% of the award amount may be spent on a combination of administrative expenditures (further subject to a 10% cap, as described above) and infrastructure expenditures necessary to enable recipients to deliver MIECHV services. Recipients should maximize efficiencies in infrastructure expenditures where available to increase the proportion of the FY 2016 award budgeted for direct services costs. See the FOA for a description of infrastructure expenditures necessary to enable delivery of MIECHV services subject to the 25% limitation. Where available, recipients should assess budgeted infrastructure expenditures in alignment with the recipient program's goals, objectives, and work plan to determine if any activities associated with infrastructure expenditures may be accomplished more efficiently or removed from the work plan.

11. Must recipients spend funds in the order of the year of award, i.e. first in, first out? For example, should recipients spend all FY 2015 funds prior to spending FY 2016 funds?

Funds must be spent based upon the time period to which they are awarded in accordance with the approved budget. Funds awarded (and budgeted) for a subsequent period must not be used to pay for obligations that occurred in a prior period. Obligations from the prior period must be liquidated (or spent) within 90 days of the end of the period. Since draws for expenditures should align with the appropriate grant period that those expenditures are budgeted for, there will be instances where funds are drawn from more recent periods before funds from prior periods are fully exhausted.

12. What should the Period of Availability Spreadsheet look like?

Applicants are also asked to submit a Period of Availability Spreadsheet that includes the proposed budget by line item (personnel, fringe, travel, supplies, contractual, other) for each individual FY of the two year and six month project period/period of availability (April 1, 2016, to September 30, 2018), as well as additional columns that indicate the amount of money remaining from previous MIECHV grants

(FY 2014 and FY 2015 funds) by line item (personnel, fringe, travel, supplies, contractual, other). These columns should indicate how remaining funding is proposed to be spent in FY 2016 and FY 2017.

Applicants must provide the proposed budget spreadsheet by line item (personnel, fringe, travel, supplies, contractual, other). The line items may represent rows in the spreadsheet. Define the columns as listed below:

- Column 1: Year 1: April 1, 2016—September 30, 2016
- Column 2: Remaining funding from FY 2014 to be spent April 1, 2016-September 30, 2016
- Column 3: Remaining funding from FY 2015 to be spent April 1, 2016-September 30, 2016
- Column 4: Year 2: October 1, 2016—September 30, 2017
- Column 5: Remaining funding from FY 2015 to be spent October 1, 2016—September 30, 2017
- Column 6: Year 3: October 1, 2017 – September 30, 2018

This spreadsheet should be inserted as Attachment 8.

13. The FOA lists the following costs of administering the grant to include: reporting costs, project specific accounting and financial management, PMS drawdowns, complying with FFATA, and audit expenses. If these items are not charged directly to the cost of the program, do they factor into the 10% cap on administrative costs? Does the negotiated indirect cost of the recipient (State administering the grant) count towards the 10% cap on administrative costs?

The abovementioned costs listed in the FOA (when using federal funds) count toward the 10% cap on administrative costs. The negotiated indirect cost rate of the recipient does not directly count toward the 10% administrative costs cap; however, the statute dictates that “Of the amounts paid to a state... not more than 10% may be used for administering the funds paid under such section.” The state will have to demonstrate adherence to the administrative cost limitation during the A-133 audit.

So, direct *and* indirect costs for expenses other than those associated with award administration, such as facilities operation, maintenance costs and depreciation related to programmatic activity such as training and/or staff at the state level that may be providing home visiting services or monitoring model fidelity, would **not** be included in the 10% cap, but direct and indirect costs associated with administering the MIECHV funds **would** be included.

As an example of assigning indirect costs, if a MIECHV grantee can show that 20% of indirect expense is applicable to activities related to administering the award, but 80% is applicable to programmatic activity (training, provision of services, development of performance measurement system, etc.)—only 20% of the indirect would apply to the 10% cap.

Needs Assessment

14. May recipients use grant funds to support conducting an updated needs assessment?

Yes, recipients may use FY 2016 MIECHV funding to complete an update of their identified at-risk communities; however, no additional funding for this purpose will be provided.

The FOA states that recipients that elected to conduct a new or updated needs assessment must

describe the major findings of that needs assessment in their application. (Note: A fully updated needs assessment is not required at this time, though it may be required in the future.)

Applicants must indicate how they propose to utilize any relevant major findings of the most recent Title V Needs Assessment to inform proposed activities under the FY 2016 MIECHV grant.

15. Would communities included under awarded competitive funding be considered new for this formula FOA or does this refer to communities never served by MIECHV funding?

New at-risk communities include communities identified in the previous or updated statewide needs assessment that are not currently being served by MIECHV formula or competitive grant funding. (See Appendix C in the FOA for a definition of at-risk communities.) Applicants must explain why they propose to provide services in new at-risk communities. They must also include documentation that amends the statewide needs assessment to identify newly added at-risk communities.

Caseload and Capacity

16. How will HRSA determine whether the proposed caseload of slots is acceptable?

Applicants should request funds not exceeding the estimated total grant award ceiling, to support a proposed caseload of family slots through use of one or more evidence-based models eligible for implementation under MIECHV that meet the HHS criteria of evidence of effectiveness or a home visiting model that qualifies as a promising approach. (See Section VIII in the FOA for a list of evidence-based models eligible for implementation under MIECHV that meet the HHS criteria of evidence of effectiveness; see Appendix C for a definition of caseload of family slots and promising approach.)

A wide variety of factors will be considered in HRSA review of proposed caseloads, including, but not limited to, applicant's proposed budgets, model(s) selected, whether counties to be served are identified as rural according to HRSA's Office of Rural Health Policy, the geography of selected at-risk communities, and the risk level of families the applicant proposes to serve.

Based on review of the application, HRSA program staff and grants management officials will either approve or request clarification to the proposed caseload of family slots by FY and any proposed model enhancement(s). (See Section I in the FOA for more information about model enhancements.) The funding award is dependent upon the approved, agreed upon plan.

17. If a recipient receives funds from multiple sources to support home visiting services as well as infrastructure expenditures, how should the recipient count family slots?

The caseload of family slots (associated with the *maximum service capacity*) is the highest number of families (or households) that could potentially be enrolled at any given time if the program were operating with a full complement of hired and trained home visitors. Family slots are those enrollment slots served by a trained home visitor implementing services with fidelity to the model for whom at least 25% of his/her personnel costs (salary/wages including benefits) are paid for with MIECHV funding. All members of one family or household represent a single caseload slot. The count of slots should be

distinguished from the cumulative number of enrolled families during the grant period. It is known that the caseload of family slots may vary by federal FY pending variation in available funding in each FY.

Please note: Absent prior approval from HRSA, no more than 25% of the award amount may be spent on a combination of administrative expenditures (further subject to a 10% cap, as described above) and infrastructure expenditures necessary to enable recipients to deliver MIECHV services.

18. Under the requirements described in the FOA, how should recipients report capacity?

HRSA anticipates that recipients will be required to submit data reports on a quarterly basis (pending OMB approval) that include: the number of new and continuing households served; maximum service capacity; identification of communities and zip codes where households are served; family engagement and retention; and staff recruitment and retention.

The caseload of family slots (associated with the *maximum service capacity*) is the highest number of families (or households) that could potentially be enrolled at any given time if the program were operating with a full complement of hired and trained home visitors. Family slots are those enrollment slots served by a trained home visitor implementing services with fidelity to the model for whom at least 25% of his/her personnel costs (salary/wages including benefits) are paid for with MIECHV funding. All members of one family or household represent a single caseload slot. The count of slots should be distinguished from the cumulative number of enrolled families during the grant period. It is known that the caseload of family slots may vary by federal FY pending variation in available funding in each FY.

These reports will be submitted through the DGIS system. Quarterly reporting periods are defined as follows. Reports will be due no later than 60 days after the end of each reporting period:

- Q1 - October 1-December 31;
- Q2 - January 1-March 31;
- Q3 – April 1-June 30;
- Q4 – July 1-September 30

HRSA has set a target that MIECHV-supported LIAs that have been active for a year or longer will maintain an active enrollment of at least 85% of their maximum service capacity. Quarterly data reports will assist HRSA in tracking this information at the state-level for grants oversight and monitoring purposes and to be better able to target technical assistance resources, as necessary.

19. In several instances, the FOA requests information related to FY 2015 caseload and FY 2015 funding. In these instances, must applicants report on both formula and competitive funds? If so, must requested figures be provided across all FY 2015 grants cumulatively or separately?

In instances where the FOA requests information related to FY 2015 caseloads and funding, recipients that were awarded both formula and competitive grants in FY 2015 should provide requested information cumulatively across both grants.

20. How does the FOA address enrollment and retention goals in FY 2014 and FY 2015 MIECHV competitive and formula grants?

HRSA has set a target that MIECHV-supported LIAs that have been active for a year or longer will maintain an active enrollment of at least 85% of their maximum service capacity. Quarterly data reports will assist HRSA in tracking this information at the state-level for grants oversight and monitoring purposes and to be better able to target technical assistance resources, as necessary.

To support recipients in meeting HRSA's active enrollment target, the FOA states applicants that have not met previously projected family enrollment and retention goals in FY 2014 and FY 2015 MIECHV competitive and formula grants must describe the barriers that existed and how those barriers have been or will be addressed.

Memoranda of Understanding

21. Are new memoranda of understanding required if they currently exist?

The memoranda of understanding should be current, dated, and address referrals, screening, follow-up and service coordination as well as systems and data coordination as applicable to each partner's scope. (Note: Recipients must submit memoranda of understanding with the partners listed in the FOA to HRSA Project Officers within 180 days of grant award.)

22. If MIECHV, Early Childhood Comprehensive Systems (ECCS), and the state's Title V Block grant are administered by the same state agency, is the development of a formal MOU a requirement given that this would be an internal document, or would it be sufficient to document the relationship of these with the agency?

Recipients must ensure involvement in the MIECHV project planning, implementation, and/or evaluation by representatives of the agencies listed below through development of memoranda of understanding with the state's Early Childhood Comprehensive Systems (ECCS) recipient and the state's Title V agency. The memoranda of understanding should be current, dated, and address referrals, screening, follow-up and service coordination as well as systems and data coordination as applicable to each partner's scope.

Past Performance

23. What is a "history of satisfactory recipient performance," and how is that considered for funding under this FOA? For recipients with de-obligations higher than 25%, on Improvement Plans, or on corrective action, what should be included in a plan to be approved by HRSA?

Full funding is also dependent on a history of satisfactory recipient performance on all MIECHV grants and a decision that continued funding is in the best interest of the Federal Government. HRSA staff will review recipients' 2012 de-obligated funding, programmatic and fiscal corrective action plans, Improvement Plans, and drawdown restriction.

Recipients with more than 25% de-obligation of funds in FY 2012 should describe actions to avoid de-obligations of currently active (FY 2014 and FY 2015) and FY 2016 MIECHV grants within the period of availability.

Recipients on a programmatic corrective action plan and drawdown restrictions in FY 2014 and FY 2015 should describe actions taken to address the plan or lift the restrictions.

Recipients mandated to implement an Improvement Plan as a result of not demonstrating overall improvement in at least four of six benchmark areas in third-year performance data should provide an update on progress toward implementation of the Improvement Plan.

HRSA will review and approve the plans and/or updates on progress, or request clarification if needed. If no plan is submitted, or the plan is not approved by HRSA, then the award may be reduced. For example, awards may be reduced at a proportion up to the portion of the 2012 award that was de-obligated, or the recipient may be subjected to drawdown restriction.

Technical assistance will be available to recipients to support implementation of their plans. Increased monitoring by HRSA Project Officers may be required.

General

24. Will there be a new Activity Code for this grant award?

Yes. The new Activity Code is X10.

25. What entities are eligible to apply under this FOA? Will there be a separate FOA for the current non-profit recipients?

Eligible applicants include the following entities currently funded in FY 2015 under the MIECHV program: 47 states, three (3) nonprofit organizations serving Florida, North Dakota, and Wyoming, and six (6) territories and jurisdictions serving the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and American Samoa. There will not be a separate FOA for the current non-profit recipients.

26. Are the newly added evidence-based models listed in the FY 2016 FOA only eligible for implementation with FY16 MIECHV funds?

The FY 2016 FOA names evidence-based models eligible for implementation under MIECHV that meets the HHS criteria for evidence of effectiveness. Applicants may propose to use FY 2016 funds to implement evidence-based home visiting models from the list. Section VIII of the FOA provides guidance to applicants regarding selection of home visiting models for their states/territories.

27. What is the definition of “continuum” of home visiting and early childhood services?

Consistent with model fidelity requirements, recipients must develop and implement, in collaboration with other federal, state, territory, tribal, and local partners, a continuum of home visiting services to support eligible families and children prenatally through kindergarten entry. A continuum of home visiting and early childhood services includes MIECHV-supported and non-MIECHV-supported home visiting and early childhood partners that provide services to eligible families with young children from pregnancy to kindergarten entry.

28. Will recipients be permitted to use FY 2016 funds to implement model enhancements providing direct mental health services to families?

Recipients may coordinate with and refer to direct medical, dental, mental health or legal services and providers covered by other sources of funding, for which non-MIECHV sources of funding may provide reimbursement. The MIECHV program generally does not fund the delivery or costs of direct medical, dental, mental health, or legal services; however, some limited direct services may be provided (typically by the home visitor) to the extent required in fidelity to an evidence-based model approved for use under this FOA. As a result, FY 2016 funds may not be used to fund model enhancements providing direct mental health services to families.

29. The FOA defined four quarterly reporting periods. Will the annual performance report count for the first quarter report or will recipients be required to submit four quarterly reports and an annual report?

Recipients will be required to submit four quarterly reports and an annual performance report. The data collected in the quarterly reports is intended to be cross-sectional, rather than cumulative. The performance data submitted through the annual performance report covers an entire year's worth of activities and is the primary mechanism for collecting performance data.

30. If a recipient is continuing a current evaluation, can the current approved evaluation plan be used or must the recipient develop a new evaluation plan with different evaluation questions?

Recipients who propose an evaluation must submit a detailed proposed evaluation plan to HRSA for review and approval prior to conducting their evaluation. With FY 2016 funds, recipients may continue current evaluations by building upon previous activities and findings, but the evaluation plan must address new evaluation questions, rather than simply extending current activities.

31. What documentation from the state supporting accomplishment of the maintenance of effort/non-supplantation requirement is required from nonprofit applicants?

Funds provided to an eligible entity receiving a grant shall supplement, and not supplant, funds from other sources for early childhood home visitation programs or initiatives (per the Social Security Act, Title V, § 511(f)). The applicant must agree to maintain non-federal funding (state general funds) for evidence-based home visiting and home visiting initiatives, including in-kind, expended for activities proposed in this application, at a level which is not less than expenditures for such activities as of the most recently completed state FY. Non-profit applicants must agree to take all steps reasonably available for this purpose and must provide appropriate documentation from the state supporting its accomplishment of the maintenance of effort/non-supplantation requirement. Applicants must correctly complete and submit the Maintenance of Effort chart as Attachment 3. (See Section IV of the FOA for detail on the Maintenance of Effort chart.)

Documentation should include a schedule of "effort," or the dollars of applicable non-federal funding from the most recently completed state fiscal year, and supporting spreadsheets or a written detailed explanation as to the dollars included in the schedule of effort.

32. May applicants submit an established model developer letters or are these to be new?

Applicants must provide documentation of the national model developer(s) agreement with the applicant's plans to ensure fidelity to the model(s). Examples of documentation include: certification or accreditation by the model developer(s), a letter of agreement from the model developer, and/or documentation of the applicant's status with regard to any required certification or approval process required by the developer(s). The documentation should include verification that the model developer has agreed to the applicant's methodology as submitted, including any proposed enhancements to the model that do not alter core components of the model, support for participation in the national evaluation, and any other related HHS efforts to coordinate evaluation and programmatic technical assistance.

As a result, *any* change in the application related to methodology from that which was most recently provided to the model developer requires verification from the model developer of agreement with the applicant's methodology as submitted.