



North Carolina Balance of State Continuum of Care

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CoC Grant Transfers Process Proposal

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Background

In the course of administering CoC grants, grant recipients may occasionally need to make what HUD refers to as a “significant change,” which represents a significant departure from the original grant application. Significant changes include: change of recipient or subrecipient, change of project site, addition or elimination of budget line items, shift of more than 10% of funds from one budget line item to another, permanent change in subpopulation served, permanent reduction in units, permanent closure of the project, or voluntary relinquishment of funding. The NC BoS CoC adopted a policy regarding significant changes on August 1, 2017. Per HUD guidance, the policy requires grant recipients to receive CoC approval prior to implementing a significant change. Grant transfers (the transfer of a CoC grant from one recipient to another) are included in this policy.

In recent months, the need for a more robust process for grant transfers has become evident. The NC BoS CoC currently has five Managed Care Organization (MCO) grant recipients. Under North Carolina’s state Medicaid plan, the future of MCOs is uncertain, and they may become ineligible or unable to administer CoC grants. One MCO recipient has begun to seek a transfer, and others are expected to follow. MCOs hold 51% of the NC BoS CoC’s grant portfolio across 10 of the 13 Regional Committees. Transfers of this magnitude would have far-reaching effects, and the NC BoS CoC needs to create a procedure to handle them effectively. In addition, improvements could be made to the process for all grant transfers, including having a more open and transparent process and ensuring transfer agencies are sufficiently vetted by the NC BoS CoC. This vetting process confirms that agencies taking over transferred grants have the necessary capacity, experience, and knowledge to benefit program participants and communities.

A workgroup composed of four members of the CoC, with help from NCCEH staff, met two times in November 2017 to discuss and develop a specific process for CoC grant transfers. This document reflects the workgroup’s recommendations.

Summary of Proposed Process

The workgroup attempted to meet the goals of ensuring inclusivity and transparency, providing the NC BoS CoC the ability to sufficiently assess the applicant agencies, and identifying the most appropriate agency to receive the transferred grants. The workgroup developed a three-step process for soliciting, assessing, and selecting transfer agencies, outlined below:

1. Open call for interested agencies

- A written announcement describing the available grants and how agencies can apply will be shared through:
 - Email to NC BoS CoC contact list
 - Email to Regional Committee Leads (to share with local stakeholders)
 - Posting on NCCEH website
 - One-on-one engagement of potential transfer agencies by NCCEH staff, current grantee, and/or HUD staff

When grants are available for transfer, the workgroup determined that a written announcement will be created by NCCEH staff. This announcement will include necessary information about the available grant(s), including project type, budget, projected bed and unit inventory, and geographic area served, as well as an outline of the application process. The workgroup felt providing this information at the outset would allow agencies to determine not only their interest in the grants, but also their eligibility and capacity to administer them. The written announcement will be distributed through several channels in order to reach as many potential applicants as possible.

2. Submission of documentation

- Agencies submit documentation regarding which grants they are interested in and their ability to run them effectively.
 - Agencies that have a CoC-funded grant of the same program type as the transfer grants will be asked for limited information because they have been vetted in previous CoC competitions.
 - Agencies that do not have a CoC-funded grant of the same program type as the transfer grants will be asked to submit more documentation to assess their ability to run the grants.
- The CoC will have two deadlines for agencies to submit documentation:
 - Deadline one: All agencies submit Letter of Intent regarding basic agency information and scorecard thresholds.
 - Deadline two: Agencies without a CoC-funded grant of the same program type submit Written Proposal regarding agency capacity & experience and scorecard standards.

The workgroup created a process that would not be burdensome to interested agencies but would still provide the NC BoS CoC with sufficient information to make an informed decision. The workgroup determined that agencies should be asked about their eligibility to administer CoC grants, their adherence to thresholds and standards on the most recent CoC competition scorecard, and their capacity, experience, and plans for implementing grants. Agencies that currently administer CoC grants of the same program type as the transfer grants will be asked for limited information because they have been vetted in previous CoC competitions and this prior information can be used during the transfer process.

The CoC will have two deadlines for submitting documentation. On the first deadline, all interested agencies must submit a Letter of Intent, which provides information regarding eligibility, adherence to thresholds, and basic agency information. On the second deadline, only agencies without a CoC grant of the same type as the transfer grant must submit a Written Proposal, which provides information

regarding adherence to standards and agency capacity and experience. The workgroup has created blank Letter of Intent and Written Proposal forms to be used by agencies. If, after the first deadline, no agency without a CoC grant has applied, the second deadline will be unnecessary, and the application process will be shortened.

3. Impartial review

- The Project Review Committee will convene to review and assess the documentation submitted by interested agencies. A scorecard will be used for this assessment.
- The Project Review Committee will select an agency that it recommends to receive the transfer. The committee's recommendation will be brought to the Steering Committee for approval.

A representative body of the NC BoS CoC will convene to review the documentation submitted and to select an agency to receive the transfer grants. The workgroup determined that the Project Review Committee would be the most appropriate group to conduct this review as its members have experience reviewing project applications and are familiar with the NC BoS CoC's expectations for grant recipients. The workgroup created a scorecard for the Project Review Committee to use during evaluation of interested agencies. It is based on the scorecard used during the CoC competition and includes questions relevant to information agencies are asked to submit during the transfer process.

After completing its assessment of the interested agencies, the Project Review Committee will select an agency to recommend to the Steering Committee for consideration and approval.

If no agencies submit documentation requesting the transfer grants by the established deadlines, or if the agencies that submit documentation are deemed ineligible or inappropriate to receive the grants, the Project Review Committee may re-open the grant transfer process to allow other agencies to apply.