

JANUARY 11, 2022



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**

REQUEST FOR PROPOSALS

CHILDREN'S SAVINGS ACCOUNT PILOT PROGRAMS

DEADLINE FOR SUBMISSIONS:

12:00PM (NOON) ON FEBRUARY 25, 2022

CONTACT:

Denise Flannery, Program Manager
Department of Labor and Economic Opportunity
LEO-PovertyTaskForce@michigan.gov

SECTION I OVERVIEW

THE OPPORTUNITY

The Michigan Department of Labor and Economic Opportunity (LEO) is issuing this Request for Proposals (RFP) to support Children's Savings Account (CSA) programs by providing matching funds to CSAs. LEO seeks to partner with qualified organizations, both in an urban and in a rural area, that shares the states' commitment to offering robust, high-quality CSAs tailored to meet the specific needs of the families and communities they serve. LEO anticipates awarding \$500,000 to two entities, one in a rural area and one in an urban area, for a period covering March 28, 2022 to September 28, 2023.

LEO seeks to secure two qualified entities to provide regional administration to a CSA pilot program, including, but not limited to:

- Establishing a new Children's Savings Account program
- Promoting Children's Savings Accounts program
- Leveraging philanthropic and corporate support to help match funds

BACKGROUND

In February 2021, the Michigan Poverty Task Force released a report detailing 35 recommendations that would help to improve the lives of those in the ALICE (Asset Limited, Income Constrained, Employed) population. These recommendations focus on what state government can, and should, do to help eradicate poverty. One of the recommendations is to support and incubate Children's Savings Accounts. Children's Savings Accounts offer a highly effective asset-building strategy that can improve financial literacy, boost educational achievement for low-income children and build wealth in low-income families. The goal is to increase financial literacy and help families reach the long-term goal of saving for college-related expenses and investing in their children's future. By pairing community and philanthropic support with personal investment, education and career goals can be supported, while building our future talent pipeline.

CSAs are long-term, incentivized asset development accounts which provide children with a pathway towards long-term educational attainment and economic empowerment. CSAs are more than just a youth savings account at a financial institution. They incorporate financial education and other wraparound services that help students and families build their capacity to pursue the postsecondary pathway of their choice. Savings in these accounts are earmarked explicitly for postsecondary education or career training options, including 2- or 4-year degrees, apprenticeships, certificates, trade skills, and even small business entrepreneurship. These savings provide a vital cue that postsecondary attainment is possible—why save for something that doesn't exist? The custodial, deposit-only savings accounts design ensures that savings can grow steadily and with an elevated degree of security.

CSA participants receive community contributions to build account balances. These community contributions reinforce the savings of families, in particular low-income families, providing them with a measure of financial progress. While CSAs cannot substantively reduce wealth inequality on their own, they can have a significant impact when deployed as part of broad policy strategy. Additionally, these contributions create a sense of community belonging and support for the child, encouraging the student to further engage with the program and believe in themselves.

Additional information and resources can be found at <https://prosperitynow.org/csa-starter-kit>.

Key Program Design Features:

- **Universal eligibility:** All students in families across the entire socioeconomic and geographic (rural, urban, suburban, and tribal) spectrum are eligible to join the program by kindergarten. No students should be excluded from participating in the program.
- **Automatic enrollment:** Also known as “opt-out,” automatic enrollment ensures that all children benefit and that parents are not required to act to open the account. With automatic enrollment, opening an account is quick and easy. However, parents retain the right to withdraw their children at any time (or parents may opt out of receiving communications while the child maintains their account).
- **Automatic initial deposit:** Each student account receives an initial “seed” deposit upon enrollment to foster savings. An initial deposit of \$50 is most common in Michigan; however, communities should strive for a higher initial deposit for students from low-income households.
- **Progressive community contributions:** Community contributions, often referred to as incentives, are deposited into student accounts for completing certain activities, like showing academic progress or attending financial education programs. Progressive incentives are structured to provide additional funds to students with lower household incomes, maximizing savings even if family contributions may be challenging.
- **Easy deposit options:** Programs should provide families with multiple deposit options and accept various payment types (i.e., cash, check, money order) at numerous locations (in-school, direct deposit/electronic transfer, in-branch).
- **Dual account structure:** CSA programs can use a dual account structure, including the primary account containing community contributions and a secondary student account containing personal contributions, separating the two protects public or philanthropic donations.
- **Restricted withdrawals:** Restricted withdrawals limit how and when students may use the asset. Programs typically allow for expenses from qualified trade schools, colleges, and universities inside or outside the State.
- **Virtual account access:** Provide students and families with virtual access to their accounts.
- **No minimum deposits:** For lower-income families, especially families on a fixed income, being able to deposit smaller amounts could make it easier for them to open college savings accounts and automatically contribute as part of their monthly budget.
- **Language access:** Marketing materials, applications, and disclosures should be provided in English and other languages, such as Spanish or Arabic depending on the region.
- **Default investment type:** Programs using 529 or other investment accounts should provide families with automatically selected investment options. If enrollees want to choose another option, they would have the ability to do so at any time. The ideal default investment should be some age-based mutual fund invested more conservatively as the designated beneficiary gets older and closer to college age.

PURPOSE

Through this grant, LEO will provide matching funds for family contributions or match philanthropic or community donations to CSAs, with one in a rural community and one in an urban community. Respondents must have a strong understanding of the structure of Children's Savings Accounts and have access to community resources such as local, regional and statewide philanthropic organizations, educational entities, faith-based organizations, and potential banking partners. The organization must possess the capacity to carry out their responsibilities to coordinate and perform administrative activities, communicate goals, and partner with philanthropic organizations to seed CSAs. Throughout the duration of the grant, the organization will work closely with LEO, as all final decisions about the program's strategic direction and vision will be made by LEO.

SCOPE OF SERVICES

Utilizing no more than 10% of the award for administrative costs, LEO seeks to secure a qualified entity to provide all administrative oversight of the program, including but not limited to, the following:

Establishing a new Children's Savings Account program

- Create overall program design
 - Determine target population
 - Determine eligibility requirements
 - Determine program reach
- Ensure there is equitable distribution of funds
- Ensure compliance to federal and state regulations
- Develop a platform that allows for your program to utilize savings accounts or a Michigan 529 program as their postsecondary savings vehicle
- Define policies, coordinate, and administer
- Facilitate communication among all stakeholders
- Establish data management system to facilitate communication with families on account status
 - System must provide monthly or quarterly statements, provide updated account balance, and matches
- Establish relationship with school (if starting with school age children) or vital records (if start at birth)
- Preference for design that focuses on ages 0-6
- Provide fiduciary oversight
- Provide information on potential financial institution partners and outline their role

Promoting Children's Savings Account program

- Raise awareness of the benefits of CSAs
- Develop promotional material
- Host outreach events

Leveraging philanthropic and corporate support to help match funds

- Engage community foundations to provide matching contributions to family deposits
 - Organization must demonstrate established banking relationship with financial institution that will hold accounts
 - Organization has ability to seek and secure matching funds

- Document current practices programs use to establish and maintain relationships with philanthropy and corporations
- Describe efforts to be taken during the grant period to develop a sustainability plan, so that the CSA program will continue for a minimum of 13 years, if participants enrolled at kindergarten

Administrative

- Provide adequate staff to ensure program success
 - Organization is able to devote the equivalent of, at minimum, one full-time staff person to program
- Process special information requests from LEO, such as metrics and success stories
- Participate in scheduled update calls with LEO
- Provide monthly written summary of progress, outlining work accomplished during the previous reporting period
- Participate in an evaluation and support efforts to assess outcomes and make program improvements

PERFORMANCE MEASURES

To demonstrate program management success, Respondents must be able to track and report monthly on the following anticipated performance measures:

Performance Measures	Minimum Of
Number of new Children Savings Accounts	
Number of families served	
Percentage of those accounts that have had an initial deposit by the program and have had contributions by families	
Number of matching grants	
Amount of contributions to matching grants	
Amount of contributions	
Number of savings or investment accounts opened	
Amount of contributions to 529 plan	
Number of outreach events	
Number of families reached	
Age or grade at enrollment	
Total number of children eligible for the program in the cohort year	
Percentage of eligible children who have opened an account	
Average account balance	

REPORTING REQUIREMENTS

To ensure quality execution of this grant, the organization is responsible for participating in scheduled check-in calls and submitting Monthly Narrative Progress Reports and Monthly Financial Reports to LEO. Report templates will be provided.

SECTION II PROPOSAL FORMAT

REQUIRED PROPOSAL COMPONENTS

Respondents are encouraged to be innovative in their proposed design and delivery of this grant. The following proposal components outline the requirement for this RFP:

- Business Organization and History
- Scope of Services
- Competence, Experience, and Staff Capacity
- Budget/Budget Narrative

Business Organization and History

State the full name, address, phone number, and contact person for Respondent organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated. If appropriate, the proposal must state whether the organization is licensed to operate in the State of Michigan.

Scope of Services

Please provide a narrative description of the Respondent organization's ability, capacity, and plan to deliver the *Scope of Services* in each area below as described in Section I above:

- Establishing a new Children's Savings Account program
- Promoting Children's Savings Account program
- Leveraging philanthropic and corporate support to help match funds

Competence, Experience, and Staff Capacity

Describe the prior experience of the Respondent organization that may be considered relevant to the successful accomplishment of the scope of services defined in this RFP. Include sufficient detail to demonstrate the relevance of such experience. In this section, proposals submitted should include descriptions of qualifying experience that include project descriptions, costs, and starting and completion dates of projects successfully completed

The Respondent must be able to staff a project team which possesses talent and expertise in the field of the requirements of this RFP. Identify staff leads assigned by name and title. Include experience and any other appropriate information regarding the work team's qualification to implement the scope of services. Show where the project team will be physically located during the time they are engaged in the work. Indicate which of these individuals is considered key to the successful completion of the work. Do not include any financials for the contemplated work within the Proposal. Resumes of qualifications should be supplied for proposed project personnel.

Include the name and telephone number of person(s) in the Respondent organization authorized to expedite any proposed grant with LEO.

Include any other information that is believed to be pertinent, but not specifically asked for elsewhere.

Preference will be given to organizations establishing a CSA in an area not currently served by a CSA.

BUDGET/BUDGET NARRATIVE

A comprehensive budget covering the grant period is required. Please complete the appropriate section of Attachment A: Proposal Template, which includes components such as personnel, fringe benefits, indirect costs, travel, supplies and materials, contractual services, outreach and promotion and other. The Budget Narrative must thoroughly describe how the planned expenses and requested funding support the scope of services.

PROPOSAL FORMAT

The proposal narrative is limited to eight (8) pages, single spaced, single side 8.5 x 11 page with 12-point Arial font, using one-inch margins.

**SECTION III
RFP PROCESS AND TERMS AND CONDITIONS**

TIMELINE FOR GRANT PROPOSAL AND AWARD

Proposals must be submitted to the contact person listed below via email by 12:00 PM (NOON) on February 25, 2022.

Contact: Denise Flannery, Program Manager
Michigan Department of Labor and Economic Opportunity
517-897-4871
LEO-PovertyTaskForce@michigan.gov

All respondents will be contacted regarding their status and/or potential grant award per the following schedule:

DATE	ACTIVITY
January 11, 2022	RFP Posted
January 20, 2022	Pre-Bid Webinar
February 25, 2022	Deadline for Submission
March 25, 2022	Awardees Notified
March 28, 2022 to September 28, 2023	Grant Period

PRE-BID WEBINAR/QUESTIONS

A pre-bid webinar will be held on Thursday, January 20, 2021, from 1 pm – 2 pm. Interested parties can register at

https://us06web.zoom.us/webinar/register/WN_HAxllaBHTKaMZIXUfS92xA

Questions can be submitted prior to the webinar to LEO-PovertyTaskForce@michigan.gov.

ELIGIBLE RFP RESPONDENTS

Examples of eligible Respondents include, but are not limited to:

- Community-Based Organizations
- Economic Development Organizations
- Business and Industry Associations
- Non-Profit Organizations
- Intermediate School Districts
- City or County Governments

PROPOSALS

To be considered, Respondents must submit a complete response to this RFP by noon on Friday, February 25, 2022. No other distribution of proposals is to be made by the Respondent. Respondent's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those required in the RFP or considered by the Respondent to be essential to a complete understanding of the proposal. Each section of the proposal should be clearly identified with appropriate headings.

The Technical Proposal must be **signed physically or electronically** by an official of the Respondent authorized to bind the Respondent to its provisions. The proposal must include a statement as to the period during which it remains valid; this period must be at least ninety (90) days from Friday, February 25, 2022. The rates quoted in the budget must remain firm for the period indicated in Section II.

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the Respondent's ability to meet the requirements of the RFP. Emphasis should be on completeness and clarity of content.

SELECTION CRITERIA

Respondents will be rated on evidence of the capacity, commitment, and experience to carry out program management responsibilities; the ability to provide match and/or in-kind support; the experience of the selected Organization; and a plan for decision-making and internal communications.

Preference will be given to organizations establishing a CSA in an area not currently served by a CSA.

Responses to this RFP will be evaluated based upon a three-step selection process. The proposal must address the requirements described in Section II of this RFP.

The first step is an evaluation of which proposals satisfactorily meet the requirements of this RFP.

Step I – Evaluation for Compliance

- a) *Proposal Content* – Proposals will be screened for technical compliance to include, but not limited to:
 - Timely submission of the proposal
 - Proposal, Budget, and Budget Narrative clearly identified
 - Proposal signed physically or electronically by an official of the Respondent authorized to bind the Respondent to its provisions
 - Proposals satisfy the form and content requirements of this RFP

Step II – Criteria for Satisfactory Proposals

- a) During the second step of the selection process, proposals will be considered by a Joint Evaluation Committee (“JEC”) comprised of individuals selected by LEO. Only those proposals that satisfy the requirements described in this RFP, as determined by the JEC, will be considered for evaluation in Step II. The JEC reserves the right to request additional information from any Respondent.
- b) *Competence, Experience and Staffing Capacity* – The proposal should indicate the ability of the Respondent to meet the requirements of this RFP, especially the quality, and recent projects similar to that described in this RFP. The proposal should indicate the competence of the personnel whom the Respondent intends to assign to the project, including education and experience, with particular reference to experience on projects similar to that described in this RFP.
- c) *Delivery of Scope of Services* – The proposal should indicate the ability of the Respondent to execute the Scope of Services as described in Section I above.
- d) During the JEC’s review, Respondents may be required to make oral presentations of their proposals to the JEC. These presentations provide an opportunity for the Respondents to clarify the proposals. LEO will schedule these presentations, if required by the JEC.

Step III – Criteria for Satisfactory Budget/Budget Narrative

- a) Based on what is in the best interest of the State of Michigan, LEO will award the Grant considering value, quality, and the ability to meet the objectives of this RFP, of proposals that were approved as a result of this three-step evaluation process.
- b) LEO reserves the right to consider economic impact on the State when evaluating proposal budgets. This includes, but is not limited to, job creation, job retention, tax revenue implications, and other economic considerations.
- c) The award recommendation will be made to the responsive and responsible Respondents who offer the best value to LEO and the State of Michigan. The Respondents offering the best proposal that meets the objectives of the RFP will determine best value.
- d) LEO reserves the right to award to another “best value” Respondent in case the original Respondent does not accept the award, or to multiple Respondents.

Scoring Criteria for Proposals

	EXEMPLARY	ADEQUATE	NEEDS IMPROVEMENT	MISSING INFORMATION	SCORE
Proposal Compliance (Up To 15 Points)					
Proposal Narrative (Up To 50 Points)					
Budget/Budget Narrative (Up To 35 Points)					
Totals					

**ATTACHMENT A
PROPOSAL TEMPLATE**

Deadline for Submissions: 12:00 PM (NOON) on February 25, 2022

PROPOSAL RESPONDENT INFORMATION:

Respondent Type: [Select Respondent Type](#)

Organization Name: [Click here to enter Organization Name](#)

Contact Name: [Click here to enter Contact Name](#)

Title: [Click here to enter Title](#)

Address: [Click here to enter Street Address](#)
[Click here to enter City, State, and Zip Code](#)

Phone: [Click here to enter Phone Number](#)

Email: [Click here to enter Email Address](#)

Website: [Click here to enter Website](#)

PROPOSAL NARRATIVE: Competence, Experience and Staffing Capacity

Please provide a narrative description of the Respondent organization's *Competence, Experience and Staffing Capacity* pertaining to the management of this grant:

Click here to enter **Competence, Experience and Staffing Capacity**

PROPOSAL NARRATIVE: **Scope of Services**

Please provide a narrative description of the Respondent organization's ability, capacity, and plan to deliver the *Scope of Services* in each area below as described in Section I above, including the following:

- Establishing a new Children's Savings Account program
- Promoting Children's Savings Account program
- Leveraging philanthropic and corporate support to help match funds
- Administrative Oversight

Click here to enter **Scope of Services**

BUDGET/BUDGET NARRATIVE

Please provide a budget and budget narrative to cover the costs to deliver the services stated in the proposal for a period covering March 28, 2022 through September 28, 2023:

	Grant Funds	Cash Match	In-Kind Match	Totals
Salaries/Personnel				
Fringe Benefits				
Travel				
Materials and Supplies				
Contractual Services				
Outreach and Promotion				
Other				
Totals				

Please include below narrative descriptions for all items included in the budget above:

Salaries/Personnel

**Please include time commitments for personnel in terms of full-time equivalents, half time equivalents, quarter time equivalents, etc.*

Click here to enter **Salaries/Personnel**

Fringe Benefits

**Calculate percentage of Salaries above*

Click here to enter **Fringe Benefits**

Travel

Click here to enter **Travel**

Materials and Supplies

Click here to enter **Materials and Supplies**

Contractual Services

Click here to enter **Contractual Services**

Outreach and Promotion

Click here to enter **Outreach and Promotion**

Other

[Click here to enter Other](#)