



Request For Information

Payment Platform for the Thriving Providers Project

A direct cash transfer program for home-based child care providers.

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Submit responses to Christina@spiralimpact.org by July 8, 2022



1. Background

[The Thriving Providers Project \(TPP\)](#) is a demonstration project organized by [Home Grown](#) that leverages learnings from guaranteed income projects to provide on-going cash transfers to [home-based child care](#) providers (HBCC). The intention is to inform policy reforms that improve approaches to early childhood provider payment and compensation. The Thriving Providers Project works with community based organizations across the U.S. in effort to understand the degree to which stabilizing the economic well-being of providers improves the availability and quality of care for children and families. Results from the initiative will shape a policy agenda to ensure we fund child care services while valuing the contributions of home-based child care providers, adequately compensating providers for their unique program model, and recognizing that children thrive when the adults who care for them do as well.

Home Grown is a national collaborative of funders committed to improving the quality of and access to home-based child care (HBCC). Home Grown launched the TPP in 2022 after seeing the success of direct cash transfers in the [HBCC Emergency Fund](#) in helping home-based child care providers survive the pandemic.

2. How it Works

The TPP is implemented across multiple cities, counties, and states. Each site is implemented by a community-based organization (CBO) that has existing trusted relationships with home-based child care providers. The CBO uses cash transfers as a tool to enhance their existing programs or services for home-based child care providers. Home Grown offers the CBO funding to prepare and plan for how to leverage direct cash transfers, an “out-of-the-box” direct cash assistance payment platform (what we are hoping you can provide), monitoring and evaluation support, expertise on ensuring outcomes map to an aligned long-term policy agenda and more.

2a. Roles & Responsibilities of Parties Involved

Entity	Roles & Responsibilities
Home Grown	<ul style="list-style-type: none">• Provides funding to CBO to plan and prepare• Funds CBO use of payment platform• Funds programs monitoring and evaluation activities• Aggregates best practices across programs and facilitates peer learning amongst CBO partners

	<ul style="list-style-type: none"> • Supports CBO to fundraise • Gathers learnings to inform policy
<p>Community Based Organization</p>	<ul style="list-style-type: none"> • Determines how cash transfers compliment existing or new programs/services • Determines structure of program (amount, duration, etc.) within defined parameters • Chooses provider eligibility criteria from set of predetermined options • Recruits providers • Supports providers to apply and enroll • Designs an exit strategy • Develops strategy to mitigate loss of public benefits (i.e. seeks exemptions, establishes hold harmless fund, etc.) • Offers advice or tools on mitigating loss of public benefits
<p>Payment Platform</p>	<ul style="list-style-type: none"> • Builds application • Processes applicants • Verifies eligibility • Distributes cash • Monitors application status • Trains community based organizations to use platform • Takes proactive steps to minimize tax liability on recipients • Offers advice or tools on mitigating loss of public benefits • Develops and manages mechanism to minimize fraud

3. Scale & Scope

Home Grown will recruit, vet and select community-based organizations to implement the TPP on an ongoing basis. Below are our projections for the scale and scope of the Thriving Providers Project over the next four years.



Estimated Number of Recipients Per Year		
	Low	High
Yr 1	30	100
Yr 2	145	530
Yr 3	290	570
Yr 4	150	360

Estimated Number of CBO Partner Organizations Per Year	
Yr 1	1
Yr 2	4
Yr 3	4
Yr 4	1
Yr 5	2

Estimated Amount of Cash Distributed		
	Low	High
Yr 1	\$180,000	\$600,000
Yr 2	\$870,000	\$4,008,000
Yr 3	\$1,740,000	\$5,472,000
Yr 4	\$900,000	\$3,456,000
Total	\$3,690,000	\$13,536,000

4. Structure of Direct Cash Transfers

Amount	Somewhere between \$330-\$1200/month, most likely \$500/month
Frequency	2x a month
Duration	Anywhere from 12-24 months, mostly likely 18 months
Eligibility	<ul style="list-style-type: none"> ➤ Family, friends, neighbor or newly licensed family child care provider currently caring for children <ul style="list-style-type: none"> ■ verified by self-report or by guardian/CBO attestation ■ and/or if licensed, verified by an upload of license # or manual/automatic look up in the state database ➤ Resides in a certain location (state, county, etc)
Number of Recipients	Anywhere from 25-150 at each site for a total, with up to a total of 570 recipients by the end of year three.
Number of sites	Up to 7 total program partners, roughly 1-4 a year.

5. Payment Platform Needs

Alignment to the Program's Theory of Impact

Home Grown believes direct cash transfers that meet the following criteria are most likely to achieve the programs intended long-term goals. For more information on the initiative's theory of impact, see the [TPP Theory of Impact](#).

- ◆ Additive: Cash transfers are leveraged to enhance community based organizations existing or new programs and services for home-based child care providers.
- ◆ Sufficient: The amount of the direct cash transfer given to providers must be a consistent amount anywhere between \$300-\$1,250 a month but is sufficient enough for a provider to weather a financial shock or when combined with earnings from caring for children, be above the current local reimbursement rate for child care.
- ◆ Frequent: Direct cash transfers are delivered 1-2 times a month.
- ◆ On-going: Direct cash transfers are delivered over the course of at least 12 months, ideally 18 months or longer.
- ◆ Predictable: Direct cash transfers arrive at consistent intervals (i.e. the last friday of the month).
- ◆ Reliable: Recipients can feel confident that the direct cash transfers will consistently arrive, with little to no effort (i.e. no need to submit an invoice, provide paperwork, etc.)
- ◆ Accessible: Application, screening process, delivery of direct cash transfers are simple, easily accessible, taking no longer than 15 minutes to complete. The organizations recruiting and screening participants communicate effectively and actively work to build trust.
- ◆ Targeted: Participants are intentionally recruited by a trusted source and from communities most likely to benefit from direct cash transfers or most likely to contribute to the organization's long-term goals.

- ◆ Unconditional Cash: There are no behavioral conditions for receiving the direct cash transfers (e.g. providers do not need to attend trainings, respond to surveys, etc.)
- ◆ Unrestricted: There are no restrictions for how the direct cash transfers can be spent.
- ◆ Cost Effective: The cost to deliver the cash transfers is less than the total amount of cash transfers and/or similar interventions.

Application, Eligibility, and Verification

- ◆ Allow prospective participants to apply for program
- ◆ Can verify eligibility, based on criteria predetermined by Home Grown and/or the leading community based organization. The platform has the ability for applicants to upload proof of address, child care license, or other documents needed to verify eligibility. Vendor has capacity to review documents and verify applicant eligibility.
- ◆ Each program partner has the ability to choose from a list of eligibility criteria to include on application
- ◆ Can approve applicants based on responses to application

Accessible Payment Options

- ◆ Multiple low-cost payment options, including options for the unbanked or those in rural communities
- ◆ Automated payment disbursements

Participant Communication

- ◆ SMS notifications directly to participants on payments, program acceptance, etc.
- ◆ Any communication with program participants (including application, customer support, user-interface, etc.) is available in English or Spanish

Administrative Access

- ◆ Full administrative access for Home Grown and program evaluators to view and export data related to applicant progress, applicant data, payments, etc.

- ◆ Limited administrative access for partner community based organizations to view and export data related to applicant progress, applicant data, payments, etc. for their program only

Customer Support

- ◆ Training for partner organization staff on supporting applicants to apply, managing payments, etc.
- ◆ Tech support for cash recipients and partner organization staff (if applicable)
- ◆ Ability to make modifications to program design, application, payment structures, etc. as needed and within reason.

Risk Mitigation

- ◆ Manages instance of fraud, has protocols to minimize fraud, will flag and respond to cases
- ◆ Can provide advice on participant tax liability (e.g. can structure transfers as gifts and provide IRS letters stating so to participants)

Fund Management

- ◆ Ability to manage multiple funding sources per program. Can pool funding from private and public dollars for each program.

6. Questions

1. What are the cost drivers of your platform service?
2. How might differences in program design with each partner organization affect costs?
 - a. Differences might include application questions, eligibility verification requirements, frequency of cash distributed, amount of cash distributed, and length of program.
3. Do you have the ability to send SMS notifications to recipients that allow for customizable educational messaging related to the program? For example, information on the EITC and organizations in their area that can help file taxes for free.



4. To what extent do you currently provide advice and tools to either participants or community based organizations on the effects of direct cash transfer on participants' public benefits? How might you partner with us to provide this service?

7. How to Submit Response

If interested in partnering with Home Grown to launch the first direct cash transfer initiative for home-based child care providers, **submit a 1-3 page proposal with the following by July 8, 2022 to christina@spiralimpact.org.**

- Organizational information:
 - ◆ Organizations' mission
 - ◆ Years in operation
 - ◆ Size of team
 - ◆ Annual revenue and total amount distributed on your platform
 - ◆ Current number and names of related projects
 - ◆ Profile of current customers and cash transfer recipients
- Response to how your organization is able to meet each capability listed above in section [5. Payment Platform Needs](#)
- Response to questions outlined above in section [6. Questions](#)
- Pricing sheet/quote to meet desired specifications, including (1) upfront/build out fees (2) on-going service fees (3) additional circumstances that would call for an increase in fees (if any), pricing structure and estimated amount
- Estimated "time to launch" including the recommended steps and timeline needed to launch with an initial CBO partner
- 2-3 times you are available for a phone call between July 14, 2022- July 20th, 2022

8. Timeline

Jun 27, 2022	RFI Released
Jul 8, 2022	Submission Date
Jul 14, 2022 - July 20, 2022	Follow Up Phone Calls
Jul 22, 2022	Make Offer