

Overview of FY 2002 Systems Change Grants Award Process

In FY 2002, the Congress appropriated an additional \$55 million in funds for these Systems Change grants specifically to improve community-integrated services (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002 Pub. L. 107-116).

Due to the extraordinary response we received in FY 2001 to the Systems Change Grants for Community Living solicitation, we will not accept any new applications in FY 2002. Instead, we will continue to process the ranked applications submitted in 2001, beginning with the highest-ranked applications that were not funded in FY 2001.

Since we received far more applications in FY 2001 than we were able to fund, we are announcing our intention to continue the award process for Qualified Applicants. (See section II.D. Definition of Qualified Applicants of this attachment.) We have used the review panel scores from FY 2001, to determine the ranking of all applications in each grant category. We will provide funding for applications where funding was previously unavailable. In addition, we reserve the right to make "supplemental" awards in FY 2002 to certain States or other eligible entities that received awards in FY 2001; these "supplemental" awards will ensure fair treatment between Grantees awarded funds in FY 2001 and 2002 while ensuring that the purposes of these grants are met. We also reserve the right to ensure reasonable balance in awarding grants in FY 2002, in terms of key factors (such as geographic distribution and broad target group representation) as noted in the FY 2001 grant solicitation.

We reserve the right to reallocate those funds to the next highest-ranked Qualified Applicant(s) or to supplement entities that previously received funding, if Qualified Applicants are subsequently determined not to have met all of the requirements of our May 22, 2001 Notice of Funding Availability (66 FR 28183), the grant terms and conditions, or otherwise fail to submit a Response Form to us by the date indicated above.

We have determined that we will be able to fund in FY 2002 approximately: 25 new Real Choice Systems Change grants; 8 new Community-integrated Personal Assistance Services and Supports grants; 11 new Nursing Facility Transitions, State Program grants; and 5 new Nursing Facility Transitions, Independent Living Partnership grants.

We will also make supplemental awards to the two Grantees of "The Collaborative." Additionally, we will make supplemental awards to 5 States that received awards for Real Choice Systems Change grants in FY 2001 to ensure that these 5 Grantees are not disadvantaged in the amount of the award received as compared to States receiving awards in FY 2002. It is anticipated that these grants will be officially awarded on or before September 30, 2002.

A. Timing and Duration of Awards

We expect all Notice of Grant Awards to be made on or before September 30, 2002. New Grantees may expend grant funds over a 36-month period from the date of the award. Existing Grantees receiving "supplemental awards" will be able to use the "supplemental award" during the existing 36-month budget period of their original grants.

B. Requirements to Receive Notice of Grant Award

Qualified Applicants before receiving an official Notice of Grant Award (Form CMS 6-U6-PG (9-84)) will receive draft grant terms and conditions of the proposed award. These draft grant terms and conditions will contain criteria the entity must meet and will specify any additional information required. These draft grant terms and conditions will ask Qualified Applicants, among other things, to provide us with:

- (1) an updated budget and budget narrative reflecting the amount of proposed award;
- (2) an updated proposed project abstract and abbreviated project narrative describing the project's goals, activities and expected outcomes, given the proposed amount of funding; and
- (3) a description, in the abbreviated narrative, of how people with disabilities and long-term illnesses and their representatives will be involved in all stages of planning, implementation, monitoring and evaluation activities for the proposed project.

The deadline for submission of this information can also be found in Systems Change Grants Timeline for FY 2002 at the end of this document. Specific requirements of Grantees, including the non-financial recipient contribution, as stated in the Notice of Funding Availability dated May 22, 2001 (66 FR 28183) will continue to apply to all Qualified Applicants that receive awards in FY 2002.

C. Indirect Costs

Reimbursement of indirect costs under each of the four types of grants is governed by the provisions of the U.S. Department of Health and Human Services, Grants Policy Directive (GPD) Part 3.01: Post-Award--Indirect Costs and Other Cost Policies. We recommend that Qualified Applicants review the provisions of this policy directive and applicable Office of Management and Budget (OMB) circulars in preparing budget information. This information is available in the solicitation and online at: <http://www.hhs.gov/grantsnet/adminis/gpd/gpd301.htm>.

D. Definition of Qualified Applicants

We will not accept any new applications in FY 2002, due to the extraordinary number of unfunded applications received in FY 2001. Instead, we will continue to process the ranked applications submitted in 2001, beginning with the highest-ranked applications that were not funded in FY 2001. We will offer funding to those Applicants that (1) submitted an application in FY 2001 and (2) receive written notification by mail from us of a "preliminary" award indicating that their application received a score from the review panel in a range that will permit us to make a "preliminary" award in FY 2002 (hereafter known as "Qualified Applicants"). Additional information on the award process is available in section II (Overview of FY 2002 Systems Change Grant Award Process). Through our technical assistance efforts, we will continue to work with all States and Territories, as well as other non-Grantees, on improving community-integrated long term services and supports.

E. Involvement of Consumers, Stakeholders, and Public-Private Partnerships

For all Qualified Applicants, we expect continuous and active involvement of consumers in project design, implementation, and evaluation. We encourage processes that promote the active involvement of all other stakeholders. In addition, we encourage the development of public-private partnerships that make the most effective use of each partner's expertise.

For the FY 2001 and FY 2002 Real Choice Systems Change grants, the Congress expressed its preference that the grant applications "be developed jointly by the State and the Consumer Task

Force” (H. Conf. Rep. No. 106-1033 at 150 and H. Conf. Rep. No. 107-384 at 207). The task force should be composed of individuals with disabilities from diverse backgrounds (including the elderly), representatives from organizations that provide services to individuals with disabilities, consumers of long-term services and supports, and those who advocate on behalf of such individuals (H. Conf. Rep. No. 106-1033 at 150 and H. Conf. Rep. No. 107-384 at 207 adopting S. Rep. No. 107-384). Each Qualified Applicant is encouraged to continue to involve its task force in the process of developing a response to the draft grant terms and conditions.

We encourage collaboration with public-private partnerships and with a broad range of public and private organizations whose primary purpose is improving access and services for people with disabilities or long-term illnesses. Examples of these organizations include State Independent Living Councils, Area Agencies on Aging, Developmental Disabilities Councils, State Mental Health Planning Councils, State Assistive Technology Act Projects, and other national and statewide consumer, disability and aging organizations. We also encourage Qualified Applicants to partner with volunteer groups, employers, faith-based service providers, private philanthropic organizations, and other community-based organizations.

Systems Change Grant Timeline, FY 2002

Anticipated Date(s)	Action
March, 2002	CMS mails the preliminary offer of award to potential awardees.
April, 2002	The draft grant terms and conditions of grant award and project feedback mailed by CMS to potential awardees.
May 9, 2002	Response Form is due to CMS from potential awardees. (See Attachment 1.)
March– July 9, 2002	Potential awardees should continue to partner with consumer advisory groups and stakeholders to do the following: <ul style="list-style-type: none">▪ Reprioritize proposed grant projects based on revised budgets;▪ Reconsider proposed budget based on amount of preliminary award offer; and▪ Respond to draft grant terms and conditions and requests for feedback.
July 10, 2002	Deadline for potential awardees to submit their responses to the draft grant terms and conditions of award and project feedback.
September 30, 2002	CMS mails the Notice of Grant Award to commit FY 2002 (September 30, 2002 – September 30, 2005, for new grants or supplemental funding for existing 2001 Real Choice or TA grants) funding of the grant.