

**Competitive Grant Proposal (CGP)**

**Maryland New Start Grant Program**



**Maryland Department of Labor**

**Issue Date: Monday, January 6, 2025**

**Proposal Due Date: Friday, April 4, 2025**

**KEY INFORMATION SUMMARY SHEET**

**STATE OF MARYLAND**

**Competitive Grant Proposal**

**Demonstration Project: Maryland New Start Grant Program**

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<b>Purpose:</b>	The purpose of the program is to provide entrepreneurship development opportunities for certain covered individuals through training programming.
<b>Issue Date:</b>	<b>January 6, 2025</b>
<b>CGP Issuing Office:</b>	Maryland Department of Labor (MD Labor) Division of Workforce Development and Adult Learning (DWDAL)
<b>Submission To:</b>	Via email to <a href="mailto:heather.evans1@maryland.gov">heather.evans1@maryland.gov</a>
<b>Pre-Proposal Conference:</b>	A Pre-Proposal Conference will be held virtually on Thursday, January 23, 2025 from 10:00 AM to 12:00 PM. For call-in information, please contact Heather Evans at <a href="mailto:heather.evans1@maryland.gov">heather.evans1@maryland.gov</a> .
<b>Proposals Due:</b>	<b>April 4, 2025 by 11:59 PM (Eastern Time)</b>
<b>Application Size</b>	Applicants should be aware that submission inbox has a 20 megabyte limit.
<b>Selection Announcement:</b>	<b>May 2025</b>
<b>Funding Available:</b>	\$200,000 grant. MD Labor will consider up to \$60,000 per project per program year, at the discretion of the Department.
<b>Period of Performance:</b>	Start date of <b>June 1, 2025</b> through <b>May 31, 2026</b> . Grants are awarded annually.
<b>Eligibility:</b>	Non-Profit Organizations; For-profit, private sector businesses; Institutions of postsecondary education; and, Local government agencies.
<b>Labor Contact:</b>	<a href="mailto:heather.evans1@maryland.gov">heather.evans1@maryland.gov</a>

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## Definitions

**Covered Individuals:** The Act defines a covered individual as one who:

1. Has been convicted of a criminal offense;
2. Has completed a term of imprisonment in federal prison, or a State or local correctional facility; or
3. Is approved for release by a correctional facility for the purpose of participating in a training program; and,
4. Meets the offense eligibility requirements put forth by the US Small Business Administration (SBA) for the Federal Microloan Program, as defined below.

**SBA Offense Eligibility Requirements for Federal Microloans<sup>1</sup>:** Effective July 15, 2015, businesses with an associate on parole or probation are eligible to receive SBA microloans except if the offense:

1. Involved fraud or dishonesty; or
2. In the case of a childcare business, involved an offense against a child.

Offenses involving fraud and dishonesty include, for example, larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, conversion, counterfeiting, willful misapplication or any other fraudulent or dishonest acts resulting in financial loss.

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<sup>1</sup> [SBA SOP 52 00 B – 3.F.4. Loans to Businesses with Associates on Parole or Probation \(pg. 49\)](#)

## Section 1 – Goals of the Program

Though employment and income level following release from incarceration play a significant role in successful reentry, individuals with a history of involvement with the justice system often face a myriad of barriers to entering the workforce. Entrepreneurship can serve as an alternative pathway to overcome labor market discrimination, thus leading to both a higher income and lower rate of recidivism.<sup>2</sup> The goal of the New Start Act Grant Program is to provide entrepreneurship development opportunities for current and/or formerly incarcerated individuals through nationally recognized training models.

Consistent with the Moore-Miller Administration’s vision to “*Leave No One Behind*”, the New Start Grant Program presents a unique opportunity to expand opportunities for historically marginalized people, bolster the economy through the creation of small businesses, and reduce recidivism. In conjunction with the New Start Microloan Program, which is administered by MD Commerce in consultation with the Governor’s Office of Small, Minority, and Women Business Affairs, this program seeks to fund projects that can clearly demonstrate strong ties to individuals currently incarcerated within Maryland’s public safety and corrections system. The New Start Act Grant Program builds on MD Labor’s efforts to operate an integrated workforce system through collaboration between sister agencies and offices, and to support returning citizens in their successful reentry.

## Section 2 – General Information

### I. Summary Statement

In 2022, the Maryland General Assembly enacted House Bill 158 - The Maryland New Start Act, which establishes the New Start Grant and Microloan Programs. Beginning in Fiscal Year 2024, the New Start Act enables MD Labor to administer and disburse awards annually for the New Start Grant Program. MD Labor is releasing this *Maryland New Start Grant Program* Competitive Grant Proposal (CGP) to seek proposals from organizations to support a new or existing entrepreneurship program which serves covered individuals. Proposals funded under the New Start Grant Program must provide participants with certain experiences and services as part of their curriculum and program design. These elements are listed below.

#### Required Curriculum Components

1. Nationally Recognized Model – The basis for an applicant’s entrepreneurship development program and training must be a nationally recognized model, or a model that is based on

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<sup>2</sup> [Entrepreneurship as a Response to Labor Market Discrimination for Formerly Incarcerated People](#)

nationally recognized standards of entrepreneurship education. Applicants must adequately present and explain their chosen curriculum in their application.

2. Business Plan Competition for Currently Incarcerated Participants – Applicants must be able to provide currently incarcerated individuals with the opportunity to participate in a business plan competition. Applicants must outline in their application how a business plan competition will be included in their training curriculum and demonstrate their capacity for engaging imprisoned individuals in the competition.
3. Executive Mentoring – Applicants must be able to provide covered individuals with the opportunity to engage in mentorship experiences with business/executive leaders. Applicants must indicate in their application any local businesses that will participate in mentorship programming and how mentorship will be included in their training curriculum.

#### Additional Required Program Components

1. Reentry Services – In conjunction with training and entrepreneurship development programming, applicants must be able to support covered individuals with access to reentry services, such as work-readiness programs. Applicants must indicate in their application their capacity for providing reentry services and job training or identify partner programs which can provide reentry services.
2. Access to business financing for covered individuals – As an outcome of the entrepreneurship development programming, applicants must be able to refer covered individuals to opportunities for small business financing. This includes offering appropriate referrals and recommendations to Commerce’s New Start Microloan Program. In their application, applicants must affirm their commitment to providing covered individuals with access to small business financing opportunities.
3. The submission of at least two letters of support or memoranda of understanding from other partners. Letters from additional program partners in excess of the two required above may be submitted and will be considered during the application review process.

MD Labor’s DWDAL will administer this grant on behalf of the State of Maryland. MD Labor will manage the administrative responsibilities, including the oversight of a competitive process to award funding to Grantees to conduct these interventions. More information on these specific requirements can be found in Section 3(II) of this CGP.

## **II. Eligible Entities**

Eligible applicants are organizations which:

1. Serve or will serve covered individuals, as defined by the New Start Act;
2. Can demonstrate strong ties to both the formerly incarcerated/returning citizen population and local businesses;
3. Can demonstrate an ability to deliver entrepreneurship development programming on an ongoing basis to the target population;

4. Can feasibly implement a curriculum and program design that includes, at a minimum, the components outlined in this CGP;
5. Have the capacity to meet all reporting and monitoring requirements outlined in this CGP;
6. Can contribute at least 25% of the award amount from new or existing non-State funding sources, including indirect costs and in-kind contributions; and
7. Are in good standing with the Comptroller of Maryland and MD Labor.

Organizations may choose to partner together on a grant application if they jointly deliver entrepreneurship development programming to covered individuals. Applicants may seek New Start Grant funding for either new or existing programs.

### **III. Funding**

This grant is based on reimbursable funding at quarterly intervals. Funds are reimbursed after the Grantee provides a fiscal invoice of the work that has been completed. Funding for these projects will be available for one year beginning on **June 1, 2025**. The review process will consider applications that are geographically diverse across the State of Maryland.

### **IV. Revisions to the CGP**

If it becomes necessary to revise this CGP before the due date for proposals, amendments will be provided to all prospective Applicants who were sent this CGP or otherwise are known by the Program Manager to have obtained this CGP. Amendments made after the due date for proposals will be sent only to those Applicants who submitted a timely proposal and remain under consideration for award as of the issue date of the Amendment.

Acknowledgment of the receipt of all amendments to this CGP issued before the proposal due date shall accompany the Applicant's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the CGP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Applicant from complying with all terms of any such amendment.

### **V. Proposal Webinar Dates**

MD Labor will offer a webinar in preparation for application to this CGP opportunity to review the application process, answer applicant's questions, and provide general technical assistance. This webinar will take place on **Thursday, January 23, 2025 from 10:00 AM to 12:00 PM (Eastern Time)**. Questions related to this opportunity may be sent to [heather.evans1@maryland.gov](mailto:heather.evans1@maryland.gov). All questions must be submitted by Friday, March 21, 2025, and responses will be posted on Labor's website at <https://labor.maryland.gov/employment/newstart/>.

**VI. Proposals Due Date**

An electronic copy of the proposal must be submitted to Heather Evans, Strategic Initiatives Grants Program Manager at [heather.evans1@maryland.gov](mailto:heather.evans1@maryland.gov). Proposals must be submitted no later than **11:59 PM (Eastern Time) on Friday, April 4, 2025**, in order to be considered. Applications that are missing the required components as outlined in this Solicitation will not be considered.

Requests for extension of the closing date or time shall not be granted. Proposals received by the Program Manager after the due date, **11:59 PM (Eastern Time) on Friday, April 4, 2025**, shall not be considered.

**VII. Amendments, Cancellations, and Discussions**

The State reserves the right to amend or cancel this CGP; accept or reject any and all proposals, in whole or in part, received in response to this CGP; to waive or permit cure of minor irregularities; and to conduct discussions with all qualified or potentially qualified Applicants in any manner necessary to serve the best interests of the State of Maryland. The State also reserves the right, in its sole discretion, to award a grant based upon the written proposals received without prior discussions or negotiations.

**VIII. Oral Presentation**

Applicants may be required to make oral presentations to MD Labor representatives in an effort to clarify information contained in their proposals. Significant representations made by an Applicant during the oral presentation must be put into writing. All such written representations will become part of the Applicant's proposal and are binding if the Grant is awarded. The Program Manager shall notify Applicants of the time and place of oral presentations.

**IX. Applicant Responsibilities**

The selected Applicant shall be responsible for rendering services as required by this CGP. Subcontractors or sub-grantees shall be identified and a complete description of their role relative to the proposal shall be included in the Applicant's proposal. The Applicant is responsible for ensuring that the subcontractor or sub-grantee is aware of the terms and conditions of the grant and has fully agreed to comply with the terms and conditions. The Applicant will be responsible to the MD Labor for any breaches of the terms and conditions by its subcontractors or sub-grantees.

**X. Grant**

By submitting an offer in response to this CGP, an Applicant, if selected for award, shall be deemed to have accepted the terms of the CGP and of the grant.

**XI. Compliance with Laws / Arrearages**

By submitting a proposal in response to this CGP, the Applicant, if selected for award, agrees that it will comply with all Federal, State and local laws applicable to its activities and obligations under the grant.

By submitting a response to this CGP, each Applicant represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the grant if selected for grant award.

## **XII. Drug and Alcohol Free Workplace**

The Grantee warrants that they will comply with COMAR 21.11.08 Drug and Alcohol Free Workplace, and that they shall remain in compliance through the term of this Agreement.

## **XIII. Fair Practices Certification**

The Grantee must certify that they prohibit, and covenant that they will continue to prohibit, discrimination on the basis of race, religion, color, sex (including pregnancy, childbirth and related medical conditions, transgender status, gender identity, and sexual orientation), marital status, genetic information, age, national origin or ancestry (including Limited English Proficiency), disability, veteran status, political affiliation or belief, or on the basis of citizenship status.

# **Section 3 – Scope of Work**

## **I. Introduction**

MD Labor’s DWDAL is seeking applications to provide entrepreneurship development opportunities for current and/or formerly incarcerated individuals through nationally recognized training models and direct access to small business financing. The goal of this project, consistent with the Moore-Miller Administration’s vision to “*Leave No One Behind*”, is to expand access to entrepreneurship training and small business start-up funding while also reducing recidivism.

As the lead agency for Maryland’s Workforce System, Labor acknowledges that entrepreneurship can serve as a pathway to employment for individuals with significant barriers to entering the workforce. Equally valuable is the lived expertise held by justice-involved individuals which can serve to make Maryland workforce more accessible and inclusive for all people. This CGP targets those individuals that are historically underserved by Maryland’s Workforce System.

## **II. General Provisions**

A. In their application, all applicants must include:

1. A narrative overview of the applicant’s organization including:
  - a. The organization’s experience serving incarcerated and previously incarcerated individuals;
  - b. The organization’s relationships with local businesses;



- c. The organization's capacity to deliver entrepreneurial development programming on an ongoing basis to covered individuals; and
    - d. A list and explanation of all organizations partnering to deliver the proposed programming.
  2. A program design plan which includes:
    - a. An overview of the proposed program;
    - b. A strategy for reaching covered individuals, including particular target populations served;
    - c. A proposed entrepreneurship training curriculum model that includes the components outlined in the New Start Grant Program policy;
    - d. A plan for providing a business plan competition for currently incarcerated individuals;
    - e. A plan for delivering executive mentoring opportunities;
    - f. A description of any supportive, wraparound, job-readiness, or reentry services offered by the program;
    - g. A description of how the program will assess participants' business viability/suitability for small business financing;
    - h. The number of participants to be served by the program; and
    - i. A program timeline with estimated dates for all planning, outreach, service delivery, and closeout activities.
  3. Program evaluation and reporting targets which includes:
    - a. Number of participants expected to be enrolled in programming;
    - b. Number of participants expected to graduate/complete programming;
    - c. Number of participants expected to be prepared to pursue small business or entrepreneurial financing;
    - d. Expected average attendance rate for programming;
    - e. Target recidivism rate for participants and program completers/graduates;
    - f. If applicable, the number of participants expected to earn a credential or course credit, annually;
    - g. Number of participants expected to be served through wraparound, job-readiness, or reentry services, annually;
    - h. Target participant satisfaction rate;
    - i. A description of how the applicant will track and evaluate each of the above-mentioned performance outcomes; and
    - j. A description of any assessment tools, exams, or other metrics that will be used during programming.
  4. A program budget which includes:

- a. Cost breakdowns for outreach, service delivery, evaluation, administration, and any other program functions outlined in the program design plan;
  - b. A dollar amount itemization of all non-State funding sources committed to the proposed program, including indirect costs and in-kind contributions; and,
  - c. Demonstration that at least 25% of requested funds can be committed from new or existing non-State sources.
- B. One letter of support or memoranda of understanding from at least one local business or employer that is committed to partnering on the proposed program.
- C. One letter of support or memoranda of understanding is strongly encouraged, but not required, from an agency, organization, or institution that can speak to the applicant's capacity to serve incarcerated and previously incarcerated individuals, including confirmation of any necessary security clearances and permissions to offer programming within a secure facility. Examples include Maryland correctional institutions, federal prisons, or county departments of corrections.
- a. For Maryland State correctional institutions, MOUs or letters of support for educational program partnerships must be approved by the Maryland Department of Public Safety and Correctional Services (DPSCS) Office of Programs, Treatment and ReEntry Services.
  - b. For federal or county facilities, MOUs and letters of support must be signed by the facility warden or executive director.
- D. Applicants are encouraged to consult with the following agencies for additional information on existing resources and programs that may be applicable to their proposed program. The results of those consultations should be included in the application where applicable:
1. Maryland Department of Public Safety and Correctional Services (DPSCS)
  2. Maryland Department of Labor, Office of Correctional Education (CE)
  3. American Job Centers (AJCs)
  4. Maryland Department of Commerce
  5. Maryland Small Business Development Centers
  6. Maryland Technology Development Corporation

### **III. Allowable Costs**

- A. To receive funding, the needs and costs must be reasonable, necessary, and clearly related to the purpose and activities of the project. The following types of activities

and items are examples of allowable costs and descriptions of these can be found below.

1. Supportive services.
2. Costs associated with meeting the required curriculum components outlined on pages 4-5 of this CGP.

**B. Supportive services** provide financial assistance to participants who would not be able to participate otherwise. Individuals with a history of justice involvement often face barriers to access and entry. Applicants are encouraged to include funding in their proposed budget to offer supportive services to eligible participants. Eligible supportive services are as follows:

1. **Assistance Obtaining a Driver's License**  
Grantees may provide participants assistance with obtaining a driver's license, except for paying legal fees and/or fines. Examples of assistance may include payment for driver's education<sup>3</sup> or the cost of getting the driver's license card.
2. **Transportation Assistance**  
Transportation allowances are available to participants. The transportation allowance must be related to program participation and can cover the cost of traveling to and from training. Transportation allowances require:
  - a. Documentation to verify the actual distance traveled and/or a receipt for the cost of the transportation service (e.g. public transit); and,
  - b. Confirmation of the participant's attendance for the program(s) that required travel.

*Payment Guidelines:* Transportation allowances can be used for public transit users, drivers, and/or rideshare such as Uber, Lyft, or Zipcar.<sup>4</sup> Grantees must collect and maintain appropriate documentation to verify the participant's covered transportation allowance. For public transit users, Grantees may cover the expenses for bus, light rail, metro subway, MARC train, Washington Transit, or Commuter Choice Maryland. For drivers, Local Areas may approve a travel allowance at a rate not higher than the official Internal Revenue Service (IRS) mileage rate. The maximum allowable payment is \$50 per day, with a maximum cap of \$250 per week. Google Maps or MapQuest must be used to determine daily mileage. Mileage is calculated from the participant's home address to the training, interview, job fair, or job site.

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<sup>3</sup> "Behind-the-Wheel" hours are eligible as long as they are included as part of the driver's education course.

<sup>4</sup> Other forms of transportation assistance may be funded with MD Labor prior approval.

3. Child or Dependent Care

When daycare costs for a child or dependent exceed the amount subsidized by the Local Departments of Social Services, Grantees may assist participants with the additional costs. To receive this payment, the dependent needing daycare must be:

- a. Under the age of 13;
- b. Under the age of 18 and physically or mentally incapable of self-care;
- c. A spouse who is physically or mentally incapable of self-care and has the same principal address of the program participant; or,
- d. A parent who is physically or mentally incapable of self-care.

*Payment Guidelines:* Grantees provide this supportive service payment to actively engaged program participants or to those who are in the first two weeks of new employment. Payments must be made based on the average cost of child or dependent care in the jurisdiction for which the participant is accessing care.<sup>5</sup> Payments may cover some, or all of, the costs of care. Grantees must only approve daycare costs for days that the participant is in training or at work.

To receive child care payments, the participant must complete ALL of the following steps:

- a. Apply for a Purchase of Care Subsidy through the Local Departments of Social Services;
- b. Provide application results to Grantee staff;
- c. Provide proof that participant has contracted with a State-approved child care provider;
- d. Demonstrate evidence of need;<sup>6</sup> and,
- e. Document relationship to person in care.

To receive dependent care payments, the participant must complete ALL of the following steps:

- a. Provide legal proof of adult dependent's condition that causes the need for care;
- b. Provide proof that participant has contracted with a State-approved daycare provider;
- c. Demonstrate evidence of need; and,
- d. Document relationship to person in care.

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<sup>5</sup> Local child care rates can be found here:

<https://earlychildhood.marylandpublicschools.org/families/child-care-scholarship-program/child-care-scholarship-rates>.

<sup>6</sup> Need is demonstrated if after all other funding sources are applied the cost of care is not covered.

4. Clothing for Events Related to Participants' Entrepreneurship Goals  
Grantees may assist participants with the costs associated with clothing for professional events in support of the participant's plan to start their own business.

Examples of items that this supportive service covers include: dress shirts, ties, business suits or suit coats, dresses, khaki pants, or dress shoes. Local Areas must collect and maintain appropriate documentation (receipts or invoices) to verify the participant's covered clothing allowance.

*Payment Guidelines:* Grantees should base the supportive service payment on documentation of an upcoming event related to the participant's entrepreneurship goals. The payment must be made on the market value of the item. The maximum allowable payment is \$100 per participant.

5. Stipends  
Stipends, which offer program participants a fixed cash payment, are an allowable supportive service when the Grantee has a substantiated reason to believe that the payment is necessary to the program participant's successful completion. Applicants must specifically note in their proposal if they intend to utilize stipends in their projects.
6. Other Supportive Services  
Other supportive services may be funded with MD Labor approval. If a Grantee has a substantiated reason to believe that a supportive service payment, outside of what has already been identified in this CGP issuance, would be appropriate and necessary to a program participant's successful completion, then the Grantee has the option to propose and justify the prospective supportive service. MD Labor staff will review the proposal and determine whether the cost is appropriate for inclusion as a supportive service.

#### C. Prohibited Use of Funds

1. MD Labor prohibits the use of funds for capital costs, the purchase of equipment, the payment of participant wages and/or benefits while in training, or wage subsidies.

#### D. Performance Outcomes

1. MD Labor requires the following quarterly performance measures:
  - a. Number of participants enrolled in ongoing entrepreneurship development programming;
  - b. Number of participants that graduated/completed entrepreneurship training;

- c. Number of participants prepared to pursue small business or entrepreneurial financing;
  - d. Average attendance rate for programming;
  - e. Recidivism rate for participants and program completers/graduates;
  - f. Number of participants who earned a credential or course credit;
  - g. Number of participants served through wraparound, reentry, or job readiness services; and,
  - h. Participant satisfaction rate.
2. Additionally, MD Labor requires the following annual performance measures:
- a. Participant Demographic Information, including: participants' name, known address, race, ethnicity, marital status, and parental status;
  - b. Program Entrance Profile, including: entrance date, justice involvement status, incarceration/supervision release date, employment status, highest education attainment, previous business experience, and banking or credit usage;
  - c. Program Enrollment Profile, including: enrollment status, attendance/participation rate, testing and assessment performance rates;
  - d. Program Exit Profile, including: participant exit date, exit reason, justice involvement status at exit, incarceration/supervision release date at exit, employment status at exit, highest education attainment at exit, banking and credit usage at exit, participant referred to business financing, participant assessment of program experience, and date of last contact; and,
  - e. Participant Business Profile, including: business name, business summary, address, if financing was sought, and total business financing received.

E. Reporting Requirements

1. Grantees must submit quarterly financial and narrative program progress reports to DWDAL. Templates for these reports will be provided by DWDAL as an attachment to the formal award.
2. Reports are due by the **fifteenth** (15th) day of each month following the month of service during the grant period.
3. DWDAL will conduct regular programmatic and fiscal monitoring to ensure that activities of its service providers are on target to meet grant goals.

F. Invoice Requirements

1. Invoicing will be required as part of this grant. Invoice formats will be provided with the grant awards.

#### **IV. Grant Staffing and Management**

The Grantee shall assign a Project Manager and appropriate staff to carry out the demonstration project.

### **Section 4 – Proposal Format**

#### **I. Proposals**

Proposals must be submitted via email to the Program Manager, at [heather.evans1@maryland.gov](mailto:heather.evans1@maryland.gov), no later than **11:59 PM (Eastern Time) on Friday, April 4, 2025** in order to be considered.

#### **II. Submission**

The proposal must include the Maryland New Start Grant Program Application for Initial Grant Funding (*Attachment A*). All sections of the Narrative form must be completed with as much detail as possible, and must include all partnership letters of commitment or letters of support.

The Applicant must submit a detailed line item budget using the forms provided as *Attachment B* for their project's period of performance. Discuss here any items that need explanation. The budget must reflect the cost per participant.