

# Tribal Early Childhood Facilities Combined Application Guide

## PRELIMINARY NOTICES

### Public Burden Statement

*Public reporting burden for this collection of information is estimated to average 100 hours per respondent, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. This collection of information is required to retain a benefit (per Section 6580(c)(6) of the Child Care and Development Block Grant (CCDBG) Act, 42 U.S.C. § 9858m(c)(6), CCDF Regulations at 45 CFR 98.84, and [45 CFR Part 1303](#) (Subpart E) of the Head Start Program Performance Standards). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information subject to the requirements of the Paperwork Reduction Act of 1995, unless it displays a currently valid OMB control number. The OMB # is 0970-0632 and the expiration date is 05/31/2027. If you have any comments on this collection of information, please contact Moushumi Beltangady at [moushumi.beltangady@acf.hhs.gov](mailto:moushumi.beltangady@acf.hhs.gov).*

### Executive Summary

The Head Start Act and the Child Care and Development Block Grant Act allow American Indian and Alaska Native (AIAN) Head Start grant recipients and Child Care and Development Fund (CCDF) Tribal Lead Agencies to use federal funds to construct or improve early childhood facilities. These facilities often serve children who are assisted through both funding streams, but application submission and review processes are unique to each respective funding stream.

In an effort to reduce burden and improve access to high-quality early care and education for AIAN children and their families, the Administration for Children and Families (ACF) developed this Tribal Early Childhood Facilities Combined Application Guide to streamline administrative requirements and processes for Tribal CCDF and Head Start recipients to combine funds and jointly apply for and construct or improve early childhood facilities. The guide was developed in alignment with *Executive Order 14095 - Increasing Access to High-Quality Care and Supporting Caregivers*.



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## BACKGROUND

Both the Head Start Act and the Child Care and Development Block Grant Act allow American Indian and Alaska Native (AIAN) Head Start grant recipients and Child Care and Development Fund (CCDF) Tribal Lead Agencies to use federal funds to construct or improve early childhood facilities. These facilities often serve children who are assisted through both funding streams, but application submission and review processes are unique to each respective funding stream.

Further, there is a significant need for early childhood facility improvements in tribal communities. Based on a 2021 survey of AIAN Head Start grant recipients, 36 percent of survey respondents reported their facilities to be in either poor or fair condition.<sup>1</sup>

In an effort to reduce burden and improve access to high-quality early care and education for AIAN children and their families, the Administration for Children and Families (ACF) developed this Tribal Early Childhood Facilities Combined Application Guide to streamline administrative requirements and processes for Tribal CCDF and Head Start recipients to combine funds and jointly apply for and construct or improve early childhood facilities. The guide was developed in alignment with *Executive Order 14095 - Increasing Access to High-Quality Care and Supporting Caregivers*.

## OVERVIEW

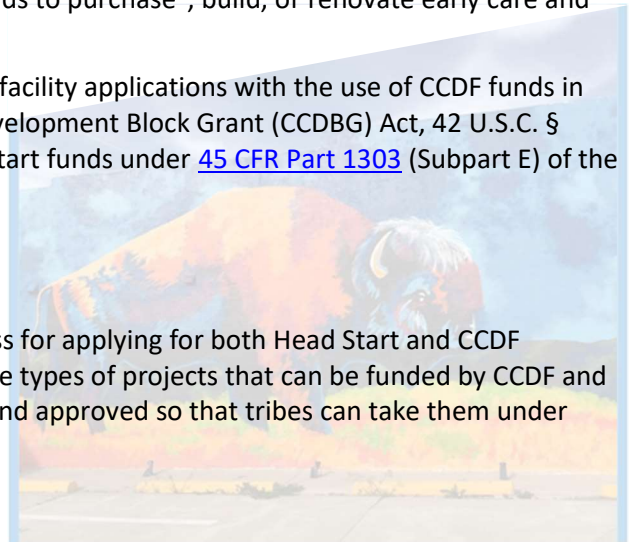
### Purpose

This Tribal Early Childhood Facilities Combined Application Guide (“Guide”) is designed to streamline the process for Tribal CCDF Lead Agencies and AIAN Head Start programs submitting joint applications to use federal Child Care and Development Fund (CCDF) and Head Start (HS) funds to purchase<sup>2</sup>, build, or renovate early care and education facilities in tribal communities.

This guide provides unified processes and requirements for facility applications with the use of CCDF funds in alignment with Section 6580(c)(6) of the Child Care and Development Block Grant (CCDBG) Act, 42 U.S.C. § 9858m(c)(6), CCDF Regulations at 45 CFR 98.84, and Head Start funds under [45 CFR Part 1303](#) (Subpart E) of the Head Start Program Performance Standards.

### Applicability and Limitations

This guide is designed to streamline and improve the process for applying for both Head Start and CCDF resources. This document notes key differences between the types of projects that can be funded by CCDF and Head Start, and how these projects are typically proposed and approved so that tribes can take them under consideration when planning an application.

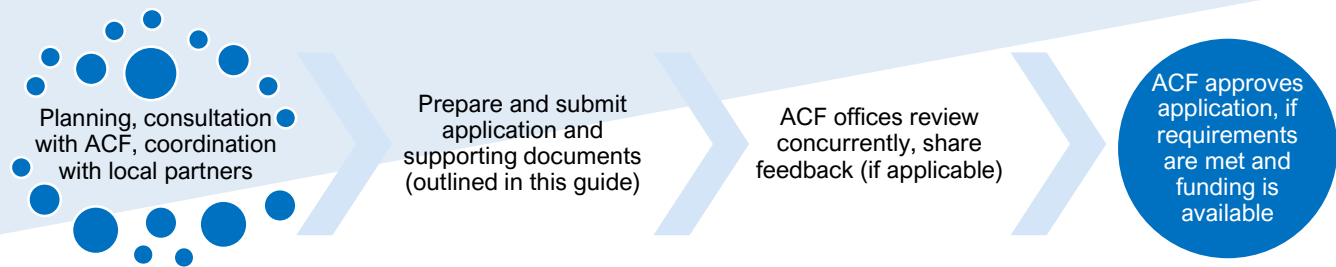


<sup>1</sup> [Report to Congress on American Indian and Alaska Native Head Start Facilities, 2020.](#)

<sup>2</sup> The CCDBG Act allows Tribal Lead Agencies to use CCDF funds for construction or major renovation but does not allow for the purchase of existing facilities. Any facility purchases can be made with Head Start funds only.

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## COMBINED APPLICATION PROCESS



### Planning and Pre-Consultation with ACF

Prior to submitting your combined application to use CCDF and Head Start funds for purchase, construction, and/or major renovation (as applicable and allowable), consult with your assigned Regional Program Specialists in both Office of Head Start (OHS) and Office of Child Care (OCC) and Grants Management Specialist(s) to make them aware that you intend to submit a combined facilities application. This pre-consultation should include a detailed discussion with your respective Regional Program Specialists on the proposed facility activities.

Some of the topics which can be discussed during the pre-application submittal discussion include:

- ◆ What facility activity are you proposing?
- ◆ How feasible is this proposal, considering relevant factors such as program structure, enrollment, timing, etc.?
- ◆ What are implications for program enrollment, health, and safety as a result of the project?
- ◆ Is this project based on an assessment of community needs?
- ◆ What are implications for programmatic growth?
- ◆ What funding sources do you plan to use (if any) to plan for the project (e.g., conduct feasibility studies, cost estimates, etc.)?
- ◆ What funding sources will be needed to complete the project? Will it include seeking a financing arrangement (e.g., loan, mortgage)<sup>3</sup>?
- ◆ What is the anticipated timeline for the project, and how does that timeline interact with project budget periods for those funding sources that will support the project?

Note that OHS has limited funds available for one-time funding applications and may not be able to fund all requests for facilities activities. Requests for Head Start facilities funding will be subject to funding priorities established by OHS.

Head Start and CCDF funds can be used for reasonable costs and fees related to planning for a facilities project, and to support the application development. These activities might include feasibility studies, cost estimates, consulting, initial architectural sketches, planning and zoning costs, Phase I Environmental Site Assessment to assure suitability of the proposed facility project, and other necessary planning costs.

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<sup>3</sup> Financing arrangements with or without a subordination of federal interest require additional reviews and approval, which may delay the project.

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Head Start grant recipients may submit a written request for one-time funding for the above-described purposes or use available base grant funds with approval from the Regional Office.<sup>4</sup> Head Start grant recipients may request funding, one-time or base grant funds, to determine preliminary eligibility of a planned real property activity in advance of submitting a full facilities application. Once approval is granted, recipients can use funds to develop their application, regardless of the outcome of the preliminary eligibility under 45 CFR §1303.42 and the application under 45 CFR §1303.44.

CCDF lead agencies may use their regular allotment of CCDF funds for planning in accordance with the uniform procedures established by the Tribal CCDF Program Instruction (CCDF-ACF-PI-2023-01) **prior to** receiving approval of a construction or major renovation project. **Funds cannot be expended for construction or major renovation costs until ACF approval is granted in accordance with this combined application guide.**

**Note:** Cost allocation requirements apply to the planning/pre-application phase, and you must cost allocate appropriately for jointly-funded facilities projects, in alignment with Uniform Guidance, [45 CFR § 75](#).

## Application Development

After discussion with your assigned OCC, OHS, and Office of Grants Management (OGM) staff, all applicable submission requirements outlined in this guide must be completed prior to submitting your application to ACF for approval.

In your combined application, you will provide:

- Section A.** Project Narrative
- Section B.** Cost Estimates
- Section C.** Supporting Documents
- Section D.** Modular Unit Narrative, Cost Estimates, and Supporting Documents (**If applicable**)

The application requirements align with the current requirements for the Tribal CCDF Program Instruction (CCDF-ACF-PI-2023-01) related to requesting funds for construction or major renovation, and Head Start Program Performance Standards 45 CFR §1303.44 (a)(1).

The procedures outlined in this guide apply to both direct-funded CCDF grant recipients and CCDF recipients with CCDF funds consolidated into an approved Public Law 102-477 Plan.



## Submitting Real Property Standard Forms

The Real Property Standard Form (SF-429) is required for all facilities projects at the time of approval of the application, along with key required attachments. These forms must be submitted through [GrantSolutions.gov](https://www.grantsolutions.gov) to complete your facilities application.

Required forms include:

- ◆ SF-429 Cover Page – The GrantSolutions system automatically requires the submission of the cover page with each attachment.

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<sup>4</sup> [45 CFR §1303.43](#)

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- ◆ SF-429-A General Reporting or No Property – Must be submitted annually
- ◆ SF-429-B Request to Acquire, Improve, or Furnish – This form is required concurrent to submission of your facilities application. This form is required whenever a grant recipient is seeking ACF approval to use funds to engage in purchase, construction, or major renovation of facilities.

Additional information on how to submit the Real Property Standard Form (SF)-429 and Attachments can be found here: [ACF-PI-HS-17-03](#)

## Combined Application Submission

ACF will provide additional guidance for how to submit a combined application.

## Combined Application Review

Following your submission, your OHS and OCC Regional Program Specialists and Grants Management Specialists will work collaboratively to facilitate the combined application review and may reach out to you with questions. Funds cannot be expended for real property costs until ACF approval is granted in accordance with this application guide.

**Note:** If a Tribe constructs or renovates more than one facility, it must seek ACF approval for each project, even if the projects use identical plans and specifications.



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## APPLICATION REQUIREMENTS

### Section A: Project Narrative<sup>5</sup>

This section outlines what should be included in the facility application narrative. In the narrative, applicants should provide a concise, detailed description of the proposed project – what you are proposing to do and why. The narrative should include a summary of current facility conditions, new conditions that would be supported through this application, and specific details about the proposal.

#### Information to Include in your Application

#### Corresponding Supporting Documents

##### A1. Recipient Name and Contact Information

**Purpose:** The information in this section is used by ACF to track the proposed facilities project and ensure appropriate communication with key points of contact through the application submission and review process.

##### Signed cover letter

- ◆ Provide the tribe/grant recipient name and the name of the agency(ies) responsible for administering the CCDF and Head Start grants.
- ◆ Provide the names, addresses, phone numbers, and email addresses of the contact persons for the proposed project(s).
  - ACF recommends CCDF and Head Start program directors serve in this role.

##### A2. Need for Facility

**Purpose:** The information in this section is used to identify and document the need for the facility and who it will serve.

- ◆ Provide a summary of the current status of ECE facilities in your service area.
- ◆ Describe the existing Head Start and child care facilities located within a reasonable traveling distance<sup>6</sup> (as determined by the Tribe) of the proposed facility that are currently used by the grant recipient to carry out CCDF and/or Head Start activities, including:
  - The number and facility type (e.g., homes, centers, modulars).
  - How many children currently receive CCDF and/or Head Start services?<sup>7</sup>
  - A brief description of each existing facility (including size, structure, condition, number of children (and/or families) served, ages of children served, other pertinent information)

Provide a rationale for why current facilities are not adequate to carry out Head Start and child care program activities. And if applicable, indicate that the construction of a facility is more cost-effective than a renovation or purchase of an existing facility.<sup>8,9</sup> Include in this rationale how many children are currently eligible to receive and need services but are not being served due to inadequate facilities.<sup>10</sup>

<sup>5</sup> [Head Start Act, Sec. 642\(c\)](#) and CCDF-ACF-PI-2023-01

<sup>6</sup> Reasonable traveling distance should be determined by the applicant and reflect local needs and geography.

<sup>7</sup> Include children and families for EHS programs.

<sup>8</sup> [45 CFR §1303.42\(d\)](#)

<sup>9</sup> [45 CFR §98.84\(b\)\(1\)](#)

<sup>10</sup> [45 CFR §98.84\(b\)\(2\)](#)

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## A3. Impact of Facility on Enrollment and Service Provision

**Purpose:** The information in this section is used to identify and mitigate any potential temporary service disruptions that may result from the project.

- ◆ Describe the effect the facility activity will have on number of children served, activities, and services, and how the anticipated effect was determined.<sup>11</sup>
- ◆ Provide: A written assurance that the proposed construction or major renovation project will not result in a decrease in the level of child care services provided by the recipient, as compared to the level of services provided in the preceding fiscal year.<sup>12</sup> Describe alternative plans for continuation of child care services, if any.
- ◆ If you are seeking a waiver from the requirement to maintain the level of child care services while using CCDF funds for construction or major renovation, submit the following information:
  - A written assurance that *“The decrease in the level of child care services provided by the recipient is temporary.”*
  - A description of the current fiscal year’s level of child care services, the projected decrease as a result of the construction or major renovation, and how long the recipient estimates the projected decrease will last.
  - An explanation of how the child care services will improve after the completion of the construction or major renovation. The explanation must include a plan that shows that the level of services will increase or that the quality of services will improve.<sup>13</sup>

NOTE: A new tribal CCDF recipient (i.e., one that did not receive CCDF funds the preceding fiscal year) may spend no more than an amount equivalent to its Tribal Mandatory allocation on construction and renovation. Therefore, a new tribal recipient must spend an amount equivalent to its Discretionary allocation on activities other than construction or major renovation (i.e., direct services, quality activities, or administrative costs).

## A4. Facility Location Description

**Purpose:** The information in this section is used to understand appropriateness of the proposed project location.

[Proof of ownership](#)

[Copy of easement](#), right of way, or land lease

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<sup>11</sup> [45 CFR §1303.44\(a\)\(1\)](#)

<sup>12</sup> You may define “level of services” in terms of the number of children served and/or the amount of funds spent on child care. Regardless of which definition you choose, you must include explanatory information about both the number of children served and the amount of funds sent on child care. The “preceding fiscal year” is the fiscal year prior to the fiscal year that the recipient submits its application.

<sup>13</sup> [45 CFR §98.84\(b\)\(3\)](#)



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- ◆ Provide a detailed description of the facility's location, including:
  - The environmental condition of the location of the proposed facility and any other structures on this site.
  - The reason the location is appropriate for the recipient's service area.<sup>14</sup>
  - The effect of the facility's location on the transportation of children to the program.

The effect of the facility's location on the recipient's ability to collaborate with other child care, Head Start/Early Head Start, social services, and health providers.

## A5. Proposed Facility Description –General

**Purpose:** *The information in this section is used to understand the scope and appropriateness of the proposed project.*

### Proof of ownership

### Architectural design

**(For leased properties)** Written permission from the owner, landlord, lessor allowing the proposed renovation + copy of lease agreement

- ◆ Provide a statement indicating whether the recipient owns:
  - The land on which the facility is or will be located. If the recipient does not own the land, provide information about the owner.
  - The facility to be renovated. If the recipient does not own the facility, provide information about the owner.
- ◆ Provide a description and specifications of the facility once the construction or major renovation project is complete, including<sup>15</sup>:
  - Location and type of structure.
  - Size of structure, including square footage.
  - The number of intended rooms and a description of the room use.
  - The number of children the facility will serve.
  - The space available for outdoor play.
  - The space available for parking, if applicable.
- ◆ If proposing renovations, describe the current condition of the facility and the proposed renovations.
- ◆ Describe the intended uses of the facility proposed to be constructed or renovated and information about the percentage of floor space that will be used to provide direct services to children (i.e., "child usable space"). *NOTE: The facility must be used principally to provide direct services to children.*
- ◆ If the facility is to be used for other purposes, in addition to the operation of the child care and/or Head Start program, state what percentage (the allocation) of the facility is to be used for such other purposes.<sup>16</sup>

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<sup>14</sup> [45 CFR 1303.44\(a\)\(2\)](#)

<sup>15</sup> [45 CFR §1303.44\(a\)\(3\)](#) and CCDF-ACF-PI-2023-01

<sup>16</sup> [45 CFR §1303.45\(c\)](#) and CCDF-ACF-PI-2023-01

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*NOTE: If the facility is to be used for purposes in addition to the operation of the CCDF and/or Head Start program, costs must be allocated in accordance with applicable cost principles<sup>17</sup> A tip sheet on cost allocation requirements is available [here](#).*

## A6. Proposed Facility Description – Supporting Health, Safety, and Development

**Purpose:** The information in this section is used to understand how the proposed project will protect and support children’s health, safety, and development.

### Certification

of facility safety from licensed professional  
**Phase I**  
environmental site assessment

- ◆ Provide a description of the aspects of the building and physical premises that will ensure children’s health and safety, such as:
  - Areas to support appropriate hygiene, including appropriate diaper changing and hand washing areas, etc.
  - Sufficient heating, cooling, and ventilation;
  - Secure storage space for any hazardous materials;
  - Smoke detectors or other fire warning devices;
  - Security equipment and technology (e.g., security cameras, gun-detection scanners, lockdown devices);
  - Adequate exits in case of emergency; etc.
- ◆ Provide an assurance that the facility will comply with the following applicable code requirements:
  - All applicable licensing, building codes, and code requirements to ensure the health and safety of children and staff
  - Americans with Disabilities Act
  - Rehabilitation Act
  - Flood Disaster Protection Act
  - National Environmental Policy Act
  - National Historical Preservation Act
  - Section 504 of Rehabilitation Act of 1973
  - Flood Disaster Protection Act of 1973
  - Earthquake Hazards Reduction Act of 1977
  - Davis Bacon Act, and related Acts (when required by statute)
  - Clean Air and Clean Water Acts

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<sup>17</sup> [45 CFR §75.400\(d\)](#)

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- Coastal Zone Management Act
- Copeland “Anti-kickback” Act (when required by statute)
- Endangered Species Act
- Lead-Based Paint Poisoning Prevention Act
- Metric System
- Safe Drinking Water Act
- Uniform Relocation Act
- Wild and Scenic Rivers Act

## A7. Collaboration and Coordination

**Purpose:** *The information in this section is used to understand how programs and providers have collaborated on this proposed project.*

- ◆ Describe how CCDF and Head Start programs have collaborated on the development and planning of this facility activity.
- ◆ Describe recipient efforts in coordinating and collaborating with other community providers (e.g., social services, health providers, educational institutions, etc.), for support and assistance (including financial assistance).<sup>18</sup>

## A8. Project Timeline and Oversight

**Purpose:** *The information in this section is used to understand and assess the proposed project’s timeline and key milestones to identify potential risks and challenges and maximize project success.*

- ◆ Submit a proposed schedule that details each major activity of the construction or major renovation and occupancy of the facility, including communication with families, staff, and community members, planning, acquisition, construction/renovation, occupancy, and service provision.<sup>19</sup>
- ◆ Describe the plans to maintain competent and adequate construction oversight, and inspection during all phases of onsite work and the plans to ensure that construction work conforms to approved plans and specifications.
- ◆ Describe the qualifications of personnel performing oversight and inspection tasks.
- ◆ Describe how the recipient will ensure all construction and major renovation contracts contain a clause that gives the responsible HHS official or their designee access to the facility, at all reasonable times, during construction and inspection.<sup>20</sup>

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<sup>18</sup> [45 CFR §1303.44\(a\)\(13\)](#) and CCDF-ACF-PI-2023-01

<sup>19</sup> [45 CFR §1303.44\(a\)\(6\)](#) and CCDF-ACF-PI-2023-01

<sup>20</sup> [45 CFR §1303.55 \(d\)](#) and CCDF-ACF-PI-2023-01

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## Section B: Cost Estimates

This section outlines requirements for submitting the cost estimates, including financing and cost comparison information.

Information to Include in Your Application	Corresponding Supporting Documents
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### B1. Cost Estimates and Financing<sup>21</sup>

[Cost estimate](#) supporting documentation  
[Lender statement](#) of compliance – federal interest in mortgage agreements  
[Loan](#) terms and details

- ◆ Please provide the following, with costs clearly allocated across Head Start and CCDF (i.e., the cost estimates broken down by funding source). The costs borne by each program should be proportionate to the benefit received by each program.
- ◆ Provide an estimate of the total cost of the proposed activity to be paid for by Head Start and CCDF funds (construction or major renovation)<sup>22</sup>, arranged by major cost category, including demolition and removal, site work, general construction/renovation, plumbing, heating, ventilation, and air conditioning, electrical, equipment, architectural and engineering fees. The cost estimate must include:
  - Estimated one-time costs, including planning costs
  - Labor, materials, and services necessary for the functioning of the facility
  - Initial equipment for the facility (items that are tangible, nonexpendable personal property having a useful life of more than five years)
  - Costs such as project manager’s salary, down payments, professional fees, moving expenses, and the cost of site preparation.
  - Provide estimated ongoing costs, including staffing costs, supplies, insurance premiums, maintenance costs, utilities, property taxes, and any other operating costs for the facility or the programs.
  - Provide a breakdown of the total costs of the project (other federal funding, bank loan, grant recipient share, foundation, state and local government share, other funding sources, etc.) and the share of the costs that will be paid with ACF grant funds (CCDF and Head Start).<sup>23</sup>
  - Clearly document all other sources and uses of non-CCDF and Head Start funds for the construction or major renovation, including any restrictions or conditions imposed by other funding sources.
- ◆ Provide a statement that shows what share of the purchase, construction, or major renovation will be paid with federal funds and what the recipient proposes to contribute as a nonfederal match to Head Start funds.<sup>24</sup>
- ◆ Provide an estimate of the amount of construction or major renovation costs that will be paid with CCDF funds listed separately by federal fiscal year in which the CCDF funds become (or became) available.
  - Indicate whether the funds should be transferred from Mandatory or Discretionary funds.

<sup>21</sup> Financing arrangements with or without a subordination require additional review and approvals, which may delay the project.

<sup>22</sup> [45 CFR §1303.45\(a\)\(1\)](#) and CCDF-ACF-PI-2023-01

<sup>23</sup> [45 CFR §1303.44](#), [45 CFR §1303.45](#), and CCDF-ACF-PI-2023-01

<sup>24</sup> [45 CFR §1303.44\(a\)\(9\)](#), [GrantSolutions OLDC instructions](#), and CCDF-ACF-PI-2023-01

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Note: For a single project, a recipient may use CCDF funds from more than one fiscal year. A project that uses more than one year of CCDF funding may be approved in a single application.

NOTE: When planning for construction or renovation, carefully consider whether you would have sufficient funds to cover ongoing costs necessary to operate the facility after the construction or renovation is completed; and the impact on your ability to meet your child care and/or Head Start service obligations.

A recipient cannot use the approved construction or major renovation funds to pay for ongoing operating costs, such as insurance premiums, maintenance costs, or property taxes. The approved construction or major renovation funds must only be used for one-time construction and renovation costs or ACF approved principal and interest payments if the project is financed through a loan. However, other CCDF and/or Head Start funds (including both Mandatory and Discretionary CCDF awards) could be used for allowable operating costs.

## B2. Cost Comparison

Estimate of facility's value after proposed facilities project

- ◆ For facility purchases<sup>25</sup>, provide an assurance that you have conducted an analysis and determined that there are no available alternatives in the service area.<sup>26</sup>
- ◆ If your analysis identifies any other potential available alternatives, you must conduct and submit a cost comparison. The cost comparison must:
  - Identify who owns the property;
  - List all costs;
  - Identify costs over the structure's useful life; and
  - Demonstrate how the proposed purchase is consistent with goals, community needs, enrollment and program options, and how it will support quality services to children and families.<sup>27</sup>
- ◆ For use of Head Start funds to continue a purchase of a facility, or to refinance existing indebtedness, compare costs of continued purchase against cost of purchasing a comparable facility in the service area over remaining years of facility's useful life.<sup>28</sup>

Note: If you are proposing purchase of a modular unit (could be either Head Start or CCDF funds), this comparison must also address:

- Full costs of the initial purchase of the modular unit. This includes site acquisition and preparation, delivery, setup, and additional site work needed (e.g., ramps, fencing, parking, play area, landscaping)
- Estimated operating costs, including ongoing maintenance and repairs, with an assumed estimated useful life of 15 years.

Replacement of the modular unit at the end of 15 years must also be included. Additional instructions are provided in [Appendix 1](#).

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<sup>25</sup> The CCDBG Act allows Tribal Lead Agencies to use CCDF funds for construction or major renovation but does not allow for the purchase of existing facilities. Any facility purchases can be made with Head Start funds only.

<sup>26</sup> [45 CFR §1303.45\(a\)\(1\)](#) and CCDF-ACF-PI-2023-01

<sup>27</sup> [45 CFR §1303.45\(a\)\(2\)\(i\) through \(iv\)](#)

<sup>28</sup> [45 CFR §1303.45\(b\)](#) and CCDF-ACF-PI-2023-01

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## Section C: Supporting Documents

This section outlines the required supporting documents that must accompany and support your narrative.

Document	Details + Resources
<b>1. Signed Cover Letter</b>	<p>Signed by the Tribal Chairperson or other Authorized Organization Representative (AOR) to the Office of Child Care and/or Office of Head Start.</p>
<b>2. SF-429 Real Property Status Report</b>	<p>Recipients should consult with their assigned Grants Management Specialist(s) regarding the applicable report to submit based on project activity.</p> <p><u>Supporting resources/instructions:</u></p> <p><a href="#">Real Property Guidance</a></p> <p><a href="#">ACF-PI-HS-17-03</a></p>
<b>3. Indicate construction is more cost effective than renovation or purchase of an existing facility<sup>29</sup></b>	<p>Provide a written statement explaining how it was determined there is or was a lack of alternative facilities in the area. The statement should specify there are no adequate facilities otherwise available through lease, donation, purchase, or other means. This statement can be written by an independent real estate professional or individual designated by the Tribe familiar with the commercial real estate market in the recipient's service area, though it is not required.</p> <p>NOTE: If you are proposing the purchase of a modular unit, this statement must demonstrate that the real estate professional or individual designated by the tribe considered the options of construction, purchase, or leasing of facilities as an alternative to purchase of a modular unit.</p>
<b>4. Certification of facility safety from licensed professional<sup>30</sup></b>	<p>Provide certification by a licensed engineer or architect that the facility is or will be upon completion, structurally sound and safe for use as a Head Start and/or child care facility, it complies, or will comply upon completion, with building codes, child care licensing requirements, and other requirements as outlined under section A item 6.</p>

<sup>29</sup> [45 CFR §1303.42\(d\)](#)

<sup>30</sup> [45 CFR §1303.44\(a\)\(4\)](#) and CCDF-ACF-PI-2023-01

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## 5. Proof of ownership<sup>31</sup>

Provide a deed or other document showing legal ownership of real property and legal description of the facility site.

## 6. Copy of easement, right of way, or land lease

If you propose to construct or renovate a facility located on land that you do not own, provide a copy of the easement, right of way.

NOTE: The land lease or other similar interest in the underlying land must be long enough for the program to receive the full value of the grant-funded improvements. The term of the lease or other arrangement should in most cases be for a period of years that is at least equal to the estimated useful life of the facility.<sup>32</sup> The lease must contain certain information related to the Federal interest.

## 7. (For leased properties) Written permission from the owner/landlord/lessor allowing the proposed

If you do not own the facility being renovated, provide a copy of the existing or proposed lease agreement, and the landlord or lessor's consent for the proposed renovation.<sup>33</sup>

NOTE: If you do not own the facility to be renovated, you must demonstrate that you have secured a lease that will assure you have access to the facility for a reasonable period of time, taking into consideration the amount of CCDF and/or Head Start funds used to renovate the facility. For CCDF, in most cases, a minimum of five years (from the date the major renovation is completed) is required, unless justified. For OHS, a recipient must have a lease or occupancy agreement of at least 30 years for purchase or construction of a facility and at least 15 years for a major renovation or placement of a modular unit. (45 CFR §1303.50) The lease, and or lease rider must contain certain information related to the Federal interest as noted in the Head Start Program Performance Standards 45 CFR §1303.47 and CCDF-ACF-PI-2023-01. Note: The OHS Lease Rider standard template is located under the ACF Property > [Real Property Guidance](#) > Real Property Standard ACF Templates pages.

## 8. Architectural design

Provide the architectural design of the proposed construction or major renovation, including:

- ◆ Plot plan showing the orientation and location of the building in relation to key features (e.g., parking areas, playground, access points)

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<sup>31</sup> [45 CFR 1303.44\(a\)\(2\)](#)

<sup>32</sup> [45 CFR §1303.50](#) and [CCDF-ACF-PI-2023-01](#)

<sup>33</sup> [45 CFR §1303.44\(b\)\(1\)](#) and [CCDF-ACF-PI-2023-01](#)

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- ◆ Floor plans showing the overall dimensions of the building and the location, size, and purpose of its components (e.g., rooms, hallways)
- ◆ Drawings showing the size and appearance of all sides of the building's exterior
- ◆ Outlined specifications listing a general description of materials and mechanical systems.
- ◆ Elements of the facility that will help create a developmentally appropriate learning space (e.g., child-sized plumbing fixtures, low windows for children to look out, sufficient play space, etc.).
- ◆ OPTIONAL: any culturally significant elements in the facility's design or renovation.

## 9. Estimate of facility's value after proposed facilities project<sup>34</sup>

Provide an estimate by a licensed independent certified appraiser of the facility's value after proposed purchase and associated repairs and renovations, construction, or major renovation is completed (except for major renovations to leased property). If a licensed independent certified appraiser is not available to come onsite or if other issues concerning the tribal land make a typical appraisal not feasible, provide an analysis that demonstrates how the proposed cost aligns with the future value of the building to the tribe or tribal organization.

## 10. Lender statement of compliance with 1303.49 Protection of federal interest in mortgage agreements<sup>35</sup>

Provide a statement from a lender, if a recipient applies to use Head Start funds to continue purchase on a facility or refinance existing debt on a facility, that indicates the lender is willing to comply with 1303.49 Protection of federal interest in mortgage agreements.

## 11. Loan terms and details<sup>36</sup>

Provide the terms of any proposed or existing loans related to purchase, construction, or major renovation, including copies of funding commitment letters, mortgages, notes, potential security agreements, and information on all other sources of funding, and any applicable repayment plans (detailing unconventional terms, if any). Recipients that proceed based on unauthorized officials and/or incur costs before authorized official approval do so at their own risk. There is no guarantee of approval.

NOTE: Any loan or mortgage agreement, including a deed of trust, or any other instrument used to finance the construction or major renovation secured by the property (or security agreement in the case of a modular unit which is proposed to be purchased under a chattel mortgage) shall require the lender, in the case of default by the recipient, to notify ACF before foreclosing on the property. The agreement must provide that ACF has the right to cure the default, and that the lender shall accept the

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<sup>34</sup> [45 CFR §1303.44\(a\)\(7\)](#)

<sup>35</sup> [45 CFR §1303.44\(a\)\(7\)](#)

<sup>36</sup> [45 CFR §1303.44\(a\)\(11\)](#) and CCDF-ACF-PI-2023-01



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payment of money or performance of any other obligation by ACF, or its designee, for the recipient, as if such payment of money or performance had been made by the recipient. The agreement shall also provide that the lender will not foreclose on the property until at least 60 calendar days after ACF is notified of the default. This 60-day period will allow time for the responsible ACF official to designate a replacement recipient, which shall assume all of the obligations of the recipient under the loan.

## 12. Environmental assessment<sup>37</sup>

Provide an environmental site assessment that describes the environmental condition of the proposed facility site and any structures on the site. This includes:

- ◆ An assessment of the impact of the proposed construction or major renovation on the environment, addressing in particular any significant change in land use (including substantial increases in traffic in the surrounding area due to the provision of transportation services), pursuant to the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. §4332(2)(C)) and its implementing regulations (40 CFR 1500-1508).
- ◆ A report showing the results of tests for environmental hazards present in the facility, ground water, and soil (or justification for why such testing is not necessary).
  - The report (or justification) is required regardless of whether or not the recipient is required to submit a complete environmental assessment in accordance with NEPA.

## 13. Cost estimate supporting documentation

Provide a copy of written documentation supporting the Cost Estimate, such as a written estimates prepared by a licensed architect or engineer.

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<sup>37</sup> [45 CFR §1303.44\(a\)\(12\)](#) and CCDF-ACF-PI-2023-01

## APPENDIX 1 – SECTION D. MODULAR UNIT INSTRUCTIONS – *IF APPLICABLE*

Additional application requirements apply if your proposed facilities project includes a modular unit. If you are proposing a modular, you must respond to all applicable application requirements in the Narrative, Cost Estimate, and Supporting Documents sections of this guide, as well as the requirements outlined in this section.

Note: Applicants proposing to use Head Start funding for purchase of a modular unit should refer to and ensure alignment with requirements outlined in [ACF-IM-HS-20-02: Head Start Modular Units](#). Applicants proposing to use CCDF funding for purchase of a modular unit should refer to and ensure alignment with requirements outlined in CCDF-ACF-PI-2023-01.

### D1. Modular Narrative

#### Modular Description

- ◆ Describe the placement of the modular unit proposed for purchase, including the legal description of the placement.
- ◆ Indicate if the modular unit will be placed on leased or grantee-owned property and the method of installation (e.g., placed on a poured foundation, on blocks, or other supports).
- ◆ Describe the extent to which the modular unit can be removed and relocated, including whether it is possible to relocate the unit without significant damage to its structure once installed.
- ◆ State whether the modular unit will be classified as real property or equipment in your financial records.

#### Modular Procurement

- ◆ Describe the procurement procedures that will be used to purchase the modular unit.
- ◆ Provide an assurance that you (the applicant) will comply with procurement procedures in 45 CFR 75.328, including the assurance that all transactions will be conducted in a manner to provide, to the maximum extent practical, open and free competition.

#### Assurances

- ◆ Provide an assurance that the modular unit will be inspected by a licensed engineer or architect (unless the use of another inspector is justified by the applicant and approved by ACF) to ensure soundness and safety of the unit and its installation prior to use.
- ◆ (For CCDF-funded projects) Provide an assurance that the modular unit will not be moved to another location without the prior written permission of the responsible OCC official.

### D2. Modular Cost Estimates

- ◆ Provide a cost comparison of the life of the modular unit, as compared to:
  - Available alternatives within the community
  - Construction of a new facility (such as a brick-and-mortar building)
  - Purchase or lease of an existing facility (with any associated major renovation costs)

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- ◆ The cost comparison must include:
  - The full cost of initial purchase of the modular unit, including:
    - Site acquisition and preparation
    - Delivery
    - Setup
    - Additional site work needed (e.g., ramps, fencing, parking, play area, landscaping).
  - Estimated operating costs, including ongoing maintenance and repairs with an assumed estimated useful life of 15 years.
  - Cost of replacement of the modular unit at the end of 15 years.
  - Initial and ongoing costs for comparable facilities must be estimated, including depreciation, with an assumed useful life of 30 years.

## D3. Modular Supporting Documents

- ◆ Copy of the specifications for the unit that is proposed to be purchased.
- ◆ If the modular unit will be sited on leased property, or on property not owned by grantee, provide a copy of proposed lease or other occupancy agreement giving grantee access to modular unit for at least 15 years.
- ◆ Provide a copy of written documentation, such as a written estimate prepared by a licensed architect or engineer, to support the cost estimate.
- ◆ If the modular unit proposed for purchase will be classified as real property, submit standard form (SF)-429 with Attachment B. If the modular unit proposed for purchase will be classified as equipment, follow 45 CFR §75.407(a)(7) for prior approval.
- ◆ Statement from an individual as described in [Section C – Supporting Documents, Item #3](#), showing they considered the options of construction, purchase, or leasing of facilities as an alternative to purchase of a modular unit.



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## APPENDIX 2 – KEY TERMS AND DEFINITIONS

The ACF Website contains a comprehensive [glossary](#) of key terms and definitions, including “construction”, “facility”, “federal interest”, “major renovation”, “modular unit”, “purchase”, and “maintenance and repair costs”.

Bureau of Indian Affairs -- provides services directly or through contracts, grants, or compacts to 574 Federally recognized tribes with a service population of approximately 2.5 million American Indian and Alaska Natives.

Land Lease—An agreement in which a lessee owns entities or improvements in a designated area but doesn't own the actual land.

Level of services – May be defined in terms of the number of children served and/or the amount of funds spent on child care, but both must be included in the description.

Major renovation – Definition is dependent on funding source:

*CCDF:* Any renovation that has a cost equal to or exceeding \$350,000 in CCDF funds for child care centers and \$50,000 in CCDF funds for family child care homes, which amount shall be adjusted annually for inflation and published on the Office of Child Care website.

*Head Start:* Any individual or collective group of renovation activities related to the same facility that has a cost equal to or exceeding \$350,000 in Head Start funds. Renovation activities that are intended to occur concurrently or consecutively, or altogether address a specific part or feature of a facility, are considered a collective group of renovation activities. Unless included in a purchase application, minor renovations and repairs are excluded from major renovations. To maintain alignment with the National Defense Authorization Act (NDAA), the major renovation threshold will increase to account for any increases made to the simplified acquisition threshold beyond \$350,000. Tribes that jointly apply to use both Tribal Child Care and Development Fund (CCDF) and Head Start funds toward major renovations may comply with the CCDF threshold for major renovation if it is higher

Minor renovation – Definition is dependent on funding source:

*CCDF:* Renovations that do not include:

- (1) Structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or
- (2) Extensive alteration of a facility such as to significantly change its function and purpose for direct child care services, even if such renovation does not include any structural change; and improve the health, safety, and/or quality of child care

*Head Start:* Improvements to facilities, which do not meet the definition of major renovation (above). Examples of minor renovations include, but are not limited to, upgrading playgrounds, renovating bathrooms, installing railing, ramps, or automatic doors to make the facility more accessible without any structural change impact.

## APPENDIX 3 – ADDITIONAL RESOURCES

### ACF Resources

Note the following ACF-wide guidance and resources. This section is not intended to be exhaustive; please contact your Regional Program Specialist and Grants Management Specialist for more information.

1. [Property – Resources related to real property requirements and guidance.](#)
2. [Glossary – A resource of commonly used ACF definitions and working terms.](#)

### Grants Management

Head Start recipients must comply with all grants management regulations, including specific regulations applicable to transactions in excess of the current simplified acquisition threshold, cost principles, and its own procurement procedures, and must provide, to the maximum extent practical, open and full competition.

[\[45 CFR §1303.55\(a\)\]](#) and [\[45 CFR Part 75\]](#)

### Davis-Bacon Act – Applicable to Head Start-funded projects

[Davis-Bacon Act](#) applies to contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of facilities. Contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

### Maintenance

Recipients must keep all facilities purchased or constructed in whole or in part with Head Start funds in good repair in accordance with all applicable federal, state, and local laws, rules and regulations, including Head Start requirements, zoning requirements, building codes, health and safety regulations, and child care licensing standards. [\[45 CFR §1303.52\(c\)\]](#)

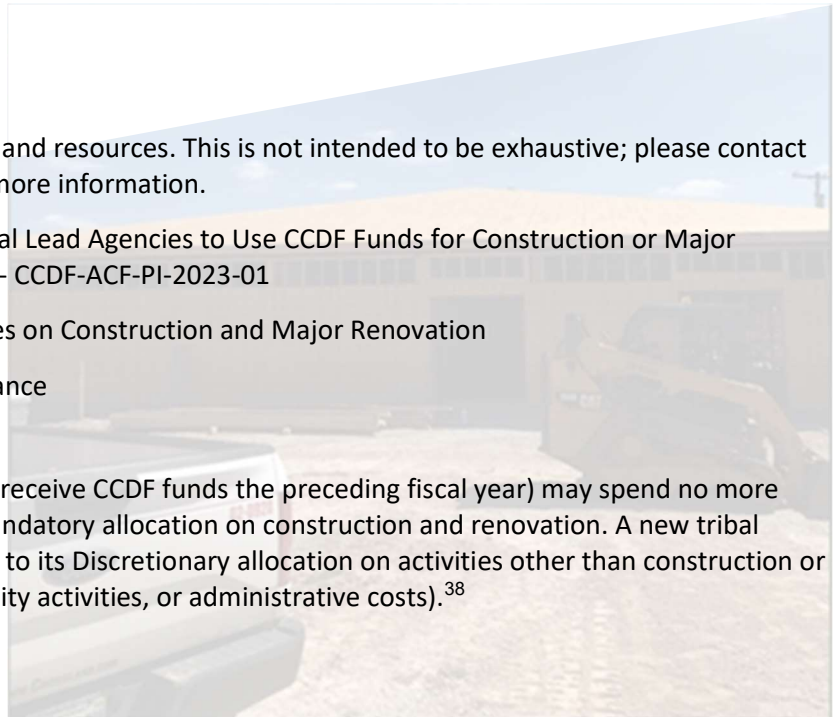
### CCDF Resources

Note the following CCDF-specific guidance and resources. This is not intended to be exhaustive; please contact your OCC Regional Program Specialist for more information.

1. Procedures for Requests from Tribal Lead Agencies to Use CCDF Funds for Construction or Major Renovation of Child Care Facilities - CCDF-ACF-PI-2023-01
2. OCC Technical Assistance Resources on Construction and Major Renovation
3. Real Property Prior Approval Guidance

### Funding Limitations

A new tribal grantee (i.e., one that did not receive CCDF funds the preceding fiscal year) may spend no more than an amount equivalent to its Tribal Mandatory allocation on construction and renovation. A new tribal grantee must spend an amount equivalent to its Discretionary allocation on activities other than construction or major renovation (i.e., direct services, quality activities, or administrative costs).<sup>38</sup>



<sup>38</sup> [45 CFR §98.84\(g\)](#)