

renovation.” In order to help clarify the difference between incidental alteration and major renovations and to reflect the increase in the costs of incidental alteration and renovations we are amending the definition of “major renovation.” This definition is amended to read “Major renovations means a structural change to the foundation, roof, floor, or exterior or load-bearing walls of a facility, or extension of an existing facility to increase its floor area. Major renovation also means extensive alteration of an existing facility, such as to significantly change its function and purpose, even if such renovation does not include any structural change to the facility. Major renovation also includes a renovation of any kind which has a cost exceeding the lesser of \$200,000, adjusted annually to reflect the percentage change in the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) beginning one year after the effective date of the amendments to these regulations, or 25 percent of the total annual direct costs approved for the grantee by ACF for the budget period in which the application is made.”

Suitable Facility

Comment

A “suitable facility” as defined in the NPRM is one that “is owned by a grantee or available for lease or purchase, which is usable as a Head Start facility and is not more expensive to purchase, own or lease than other comparable facilities in the grantee’s service area.” One respondent commented that the meaning of “suitable” could reasonably be conformed with what is later defined in the NPRM as a “useable” facility.

Response

We agree with the respondent and are revising the definition of a “suitable facility” to mean “a facility which is large enough to meet the foreseeable needs of the Head Start program and which complies with local licensing and code requirements, the access requirements of the Americans with Disabilities Act (ADA), if applicable, and section 504 of the Rehabilitation Act of 1973.”

Purchase

The definition of this term is being changed to make it consistent with the revised wording of section 1309.2.

Useable Facility

This definition will be deleted from the Final Rule and the word “suitable” will be substituted.

1309.4—Eligibility—Construction

This section describes how a grantee establishes eligibility for funding of the construction of Head Start facilities.

Paragraph (b)

We are making a change in this paragraph to make it more consistent with the wording of the statute. The proposed Rule at section 1309.49 would have required that a grantee establish eligibility to construct a facility by demonstrating that no facility is available for purchase in the grantee’s service area. We are amending paragraph (b) to read “There is a lack of suitable facilities (including public school facilities) in the grantee’s service area which will inhibit the operation of the program, as demonstrated by a statement that neither the grantee’s current facility nor any facility available for lease in the service area is suitable for use by a Head Start program. This statement must explain the factors considered, how it was determined that there is a lack of suitable facilities and be supported whenever possible by a written statement from a licensed real estate professional in the grantee’s service area.”

Section 1309.10—Application for the Purchase, Construction and Major Renovation of Facilities

Section 1309.10(b), (d), (f), (i), (l) and (m)

This section describes the information that an applicant must provide when requesting funding for the purchase, construction and major renovation of facilities.

Comment

Paragraph (b) requires that applicants provide a certification from a licensed engineer or architect as to the cost and technical appropriateness of the proposed renovation. One respondent stated that this requirement is vague because it does not specify which costs should be considered. This respondent stated further that the section does not indicate the form in which certification should be submitted. The respondent also stated that a technical review by an architect or engineer of the proposed project is required later at section 1309.51 of the rule and this requirement should not be duplicated in this paragraph.

Response

The respondent is correct in saying that section 1309.51 requires that applicants submit working drawings and specifications which have been reviewed by an architect or engineer as

to the technical appropriateness of the proposed construction or renovation project. We agree that the requirement for a technical review should be deleted from this paragraph.

Our intention when including a requirement for a certification of the project cost by an architect or engineer was to ensure that applicants had a sound basis for requesting funds for all costs associated with a renovation project and that sufficient funding could be made available upon approval of the working drawings and specifications. We realize that these costs are estimates. It is sufficient for the applicant to have a written estimate of all costs associated with the project prepared by an architect or engineer. We are making a change to this paragraph to include a cost estimate for proposed construction projects as well. Paragraph (b) has been revised to read, “In the case of a proposed major renovation or construction project, the applicant must submit a written estimate of all costs associated with the project. An architect or engineer must prepare the written estimate.”

We have dropped the requirement in section 1309.10(d) that facilities for which funding is provided must be used principally for Head Start purposes, as it would apply to new purchases, construction and major renovations of facilities. Applying this requirement to such projects would frustrate the intent of Congress expressed in section 644(g) that Head Start facilities be collocated with other programs serving low-income families whenever possible. In the case of continuing purchases of facilities, the grantee will still be required to demonstrate that the facility will be used principally as a Head Start center or a direct support facility for a Head Start program, as required by section 644(f)(2)(D) of the Head Start Act. Whenever funds are provided to purchase, construct, or make major renovation to a facility to be used in part for Head Start purposes, the proportion of the cost of the facility project will be limited to its proportional benefit to the Head Start program.

We have decided to include in the final regulations at 45 CFR 1309.10(l) a requirement that a grantee applying for funding to make major renovations to a facility it does not own must include with its application the written permission from the owner of the building for the grantee to make the planned renovation and a copy of the lease or proposed lease on the facility. The requirement for written permission is necessary to ensure that the landlord has given permission for the grantee to make the proposed major renovations