

The Administration for Children and Families (ACF) will consider comments by the public on these proposed collections of information in:

- Evaluating whether the proposed collections are necessary for proper performance of the functions of ACF, including whether the information will have practical utility;
- Evaluating the accuracy of ACF's estimate of the burden of the proposed collections of information;
- Enhancing the quality, usefulness, and clarity of the information to be collected; and
- Minimizing the burden of the collection of information on those who are to respond.

OMB is required to make a decision concerning the collection of information contained in this Final Rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment is best assured of having all its full effect if OMB receives it within 30 days of publication. Written comments to OMB for the proposed information collection should be sent to: Office of Management and Budget, Paperwork Reduction Project, 725 17th Street, NW., Washington, DC 20503, Attn: Brenda Aguilar.

List of Subjects in 45 CFR Part 1309

Education of disadvantaged, Grant programs-social programs, Head Start, Real property acquisition.

(Catalog of Federal Domestic Assistance Program Number 93.600, Project Head Start)

Dated: December 24, 2002.

Wade F. Horn,

Assistant Secretary for Children and Families.

Approved: January 21, 2003.

Tommy G. Thompson,
Secretary.

■ For the reasons set forth in the Preamble, 45 CFR part 1309 is amended as follows:

■ 1. The authority citation for part 1309 continues to read as follows:

Authority: 42 U.S.C. 9801 *et seq.*

■ 2. The heading of Part 1309 is revised to read as follows:

PART 1309—HEAD START FACILITIES PURCHASE, MAJOR RENOVATION AND CONSTRUCTION

■ 3. Section 1309.1 is revised to read as follows:

§ 1309.1 Purpose and application.

This part prescribes regulations implementing sections 644(c), (f) and (g) and 645A(b)(9) of the Head Start Act, 42 U.S.C. 9801 *et seq.*, as they apply to

grantees operating Head Start programs (including Early Head Start grantees) under the Act. It prescribes the procedures for applying for Head Start grant funds to purchase, construct, or make major renovations to facilities in which to operate Head Start programs. It also details the measures which must be taken to protect the Federal interest in such facilities purchased, constructed or renovated with Head Start grant funds.

■ 4. Section 1309.2 is revised to read as follows:

§ 1309.2 Approval of the use of Head Start funds to continue purchase of facilities.

Head Start grantees (including Early Head Start grantees) which purchased facilities after December 31, 1986, and which are continuing to pay costs of purchasing those facilities, may apply to receive Head Start funds to meet those costs by submitting applications which conform to the requirements of this part and the Act. A grantee may only use grant funds to pay facility purchase costs incurred after the responsible HHS official approves its application.

■ 5. Section 1309.3 is amended by revising the definitions “acquire,” “grant funds,” “grantee,” and “purchase” and adding four new definitions to read as follows:

§ 1309.3 Definitions.

Acquire means to purchase or construct in whole or in part with Head Start grant funds through payments made in satisfaction of a mortgage agreement (both principal and interest), as a down payment, and for professional fees, closing costs and any other costs associated with the purchase or construction of the property that are usual and customary for the locality.

Construction means new buildings, and excludes renovations, alterations, additions, or work of any kind to existing buildings.

Grant funds means Federal financial assistance received by a grantee from ACF to administer a Head Start or Early Head Start program pursuant to the Head Start Act.

Grantee means any agency designated to operate a Head Start program (including an agency designated to operate an Early Head Start program) pursuant to section 641 or 645A of the Head Start Act.

Incidental alterations and renovations means improvements to facility which

do not meet the definition of major renovation.

Major renovation 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 June 2, 2003, 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.

Purchase means to buy an existing facility, either outright or through a mortgage. Purchase also refers to an approved use of Head Start funds to continue paying the cost of purchasing facilities begun after December 31, 1986 as permitted by the Head Start Act and by § 1309.2.

Suitable facility means 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 and the access requirements of the Americans with Disabilities Act (ADA), if applicable, and section 504 of the Rehabilitation Act of 1973.

■ 6. Section 1309.4 is added to read as follows:

§ 1309.4 Eligibility—Construction.

Before submitting an application under § 1309.10 for construction of a facility, the grantee must establish that:

- The Head Start program serves an Indian Tribe; or is located in a rural or other low-income community; and
- 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 the 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