

Tribal Child Care and Development Fund: Construction and Major Renovation Frequently Asked Questions

Summary

The Child Care and Development Block Grant (CCDBG) Act allows Tribal Lead Agencies to use Child Care and Development Fund (CCDF) funds for construction or renovation of child care facilities. A Tribal Lead Agency must first request and receive approval from the Administration for Children and Families (ACF) before using CCDF funds for construction or major renovation.

For more information, refer to “Tribal Construction or Major Renovation: Program Instruction CCDF-ACF-PI-2020-02” and follow uniform procedures stated in CCDF (<https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2020-02>).

Contents

Summary	1
Preplanning and Timeframe	1
Assessments	3
Community Assessment	3
Environmental Assessment	4
Modular Buildings	5
Multiprogram Facility	5
Cost Allocation	6
Major versus Minor Renovation	6
Funding	7

Preplanning and Timeframe

- ◆ **What is the deadline to request the construction and major renovation set-aside?**
 - To use CCDF funds awarded in a given fiscal year for construction or major renovation, a Tribal Lead Agency must submit an application in accordance with “Program Instruction CCDF-ACF-PI-2020-02” before July 1 of that fiscal year. For example, applications for fiscal year 2021 funding should be made before July 1, 2021.
 - This procedure will allow ACF time to transfer CCDF funds to the separate construction and renovation grant award before the end of the fiscal year. Funds awarded in a given fiscal year cannot be transferred to the separate grant award after the end of that fiscal year, as stated in the program instruction at Section III: Fiscal Procedures.

- ◆ **For applications received on or before July 1, 2021, what is the timeline for approval?**
 - Completed applications will be reviewed by your program specialists. They will be in contact with the Tribal Lead Agency to gather any missing information. Once complete, they will send applications to the Office of Child Care (OCC) central office for review. The timeline will vary depending on the number of complete applications pending review. OCC cannot give final approval until the applications are complete, so completing your partial application as soon as possible is very important. Reach out to your program specialist or technical assistance (TA) specialist for support with completing your application.
- ◆ **Does land acquisition count as a construction cost?**
 - Section 658F(b)(1) of the CCDBG Act, 42 U.S.C. § 9858d(b)(1), prohibits the use of CCDF funds for “the purchase or improvement of land, or for the purchase, construction, or permanent improvement (other than minor remodeling) of any building or facility,” as stated in the program instruction at Section II: Applicability of These Procedures.
- ◆ **Does the obligation or liquidation date go by the original award date or the transfer of funds date?**
 - As stated in the program instruction at Section III: Fiscal Procedures, “The liquidation period begins with the date that funds are originally awarded—not the date that funds are transferred to the separate grant award for construction and renovation. There is no separate obligation period for construction and major renovation funds. For Tribes that have consolidated child care with employment and training programs under Public Law 102-477, funds can be carried forward without obligation or liquidation periods.”
- ◆ **For preplanning costs, do we use the regular annual allocation or the set-aside funds for construction?**
 - A Tribal Lead Agency may use CCDF funds to pay only for the costs of an architect, engineer, or other consultant for a project that is subsequently approved by ACF. If the project later fails to gain ACF approval, the Tribal Lead Agency must pay for the architectural, engineering, or consultant costs using non-CCDF funds and must make a retroactive adjustment to its CCDF grant claims.
 - General program funds may be used to pay for preplanning costs before the approval of a construction or major renovation application. Once the application is approved, those costs should be moved into the construction or major renovation set-aside. However, if the construction or major renovation project is not complete and the Tribal Lead Agency requests to move the money back into the general funds, Tribes will have to make retroactive adjustments to pay back those preplanning costs using non-CCDF funds.
- ◆ **Who needs to complete application component 5 (written assurances)?**
 - The narrative in component 5 can be completed by anyone writing the application. Your Tribal leader will “assure” this information to be true by signing the completed application within the cover letter.
- ◆ **Are we required or encouraged to hire an architect with experience in building an infant/toddler-safe building?**
 - Tribal Lead Agencies are encouraged to hire an architect with experience designing buildings used for child care services to ensure the building meets children’s health and safety needs.
- ◆ **For the partial request for a set-aside, do we need to have architectural drafts and environmental assessments completed? Should we strive to get as much included as possible for the partial request?**
 - The Tribal Lead Agency should submit as much information as possible before the July 1 deadline. At an absolute minimum, the Tribe must provide complete responses to the following: component 1: Tribal Lead Agency information and component 12: the amount of CCDF funds. In item 12, the Tribe should indicate if the funds should be transferred from tribal mandatory or discretionary funds (or both). The partial application will need to be signed by the Tribal Lead Agency leader or delegate.

- ◆ **We are looking only to use funds this year for architecture and engineering work and for the environmental assessment. Next year, we will seek to use funds for the actual construction phase of our project. Do we need to apply this year, or can we wait until next year?**
 - Based on your questions, it sounds like a multiyear project. A Tribal Lead Agency may use CCDF funds only to pay for the costs of an architect, engineer, or other consultant for a project that is subsequently approved by ACF. If the project later fails to gain ACF approval, the Tribal Lead Agency must pay for the architectural, engineering, or consultant costs using non-CCDF funds and must make a retroactive adjustment to its CCDF grant claims.
 - Disapproval of a project is unlikely if the Tribe follows the application procedures and federal requirements and works closely with its ACF regional office as it develops the project. A Tribe is encouraged to contact its ACF regional office for guidance before undertaking the initial planning process for a construction or renovation project.
- ◆ **On the SF-429, is it still ok to turn in the paper copy because the system is down?**
 - Yes. Download the application, fill it out, and attach it to your application. We don't want for there to be a delay in your application. Another tip is that whoever has access to the ACF-696T online data center can key in the SF-429 through the On-line Data Center System (OLDC).

Assessments

Community Assessment

- ◆ **Will a community needs assessment be required when replacing an existing building?**
 - Yes. The Tribal Lead Agency must conduct a community needs assessment to determine the need for construction or major renovation. ACF has not prescribed a specific format or content for the needs assessment. However, the assessment should be designed to determine if there is a need to construct or renovate a child care facility and, if so, how the facility can be developed in a manner that best meets community needs. This process might involve the following:
 - Assessing the condition and adequacy of existing facilities
 - Examining the current need for child care in the community, including population demographics and what type of child care meets the needs of the community
 - Projecting whether the need for child care is likely to continue or change in the future
 - Determining the best location and evaluating the site for the proposed facility
 - Determining the size of the facility based on community needs and available resources
 - Estimating start-up and operating costs for the facility and evaluating whether adequate resources exist to meet these costs

All Tribal Lead Agencies must involve their OCC regional office *early in the process of considering the merits of construction or renovation* and must discuss any proposed project with its regional office before submitting a written application.
- ◆ **How recent should the community needs assessment be?**
 - It should be within a time period that reflects the current needs of child care. There is no timeframe in the regulations.

◆ When does the community needs assessment need to be submitted?

- The summary of your community needs assessment would need to be submitted with your completed application within components 2, 3, and 4 of the application checklist.

Environmental Assessment

◆ When identifying existing child care facilities within a 50-mile radius of the proposed facility, should the Tribal Lead Agency include all child care services, even after the 50 miles? Should this include facilities outside the Tribal Lead Agency service area?

- The Tribal Lead Agency should provide a current listing of child care facilities within 50 miles of the project's location within the Tribe's service area. This could include type of facilities (for example, homes or centers) and a brief description of each center (in other words, the size, type of structure, condition, and number and ages of children served).
- See the following examples:
 - The Once Upon a Time Child Care Center serves infants to school-age children. Currently, this facility has been at full capacity and continues to have a waitlist. Child care slots are unavailable for CCDF-eligible families at this time.
 - Fuzzy Bear In-Home Care serves only infants and toddlers. Currently, this provider is unable to receive any additional children and has a waitlist.

◆ When does the Tribal Lead Agency's environmental assessment report need to be turned in, and should the complete report that contains over 100 pages be submitted?

- The Tribal Lead Agency's environmental assessment summary report is required for application component 18. The report should indicate the study of impacts, which includes both positive and negative information and informs your decision to move forward with the proposed project. Tribal Lead Agencies should submit the summary page of the report with their complete application to their regional office for review.

◆ Is the National Environmental Policy Act (NEPA) assessment required, or can you qualify for one of the categorical exclusions?

- Categorical exclusions do not apply to your CCDF construction application. Please reach out to your regional office for further information.

◆ Are there any tips for completing assessment of the impact on the environment?

- Attachment B of "Program Instruction CCDF-ACF-PI-2020-02" includes a link to the National Environmental Policy Act, which is a helpful resource (<https://www.acf.hhs.gov/occ/resource/ccdf-acf-pi-2020-02>).
- If you are renovating an existing building, check with your Tribe's building department to see if an impact study was completed in prior years. The previous study may provide the information you need.
- You could also check with your Tribe's building department to see if they have a contractor who has completed prior environmental assessments in your community to help you find a contractor.

Modular Buildings

◆ What is considered a modular unit?

- A modular unit or a prefabricated modular is a portable structure made at another location and moved to a site for use by a Tribal Lead Agency to carry out a CCDF program.
- The Tribal Lead Agency may request to use CCDF funds to pay for the costs of constructing or renovating a modular unit, including the costs of buying and installing the unit, if the unit is fixed to the land (for example, if it is placed on a foundation and permanently connected to utility lines). A modular unit is a portable structure made at another location and moved to a site for use by a Tribal Lead Agency to carry out a CCDF program, as stated in the program instruction at Section XIII: Additional Requirements for Modular Units.

◆ If a printed layout of the modular is available, would that suffice for the architectural design?

- That can be submitted as part of the application. You would also need the plot diagram, which includes the modular layout in the specific area to be constructed.

◆ The Tribal Lead Agency currently has an existing modular on a site where there is interest in using it for a child care center. What all applies?

- First, you would need to determine if the project is a major or minor renovation.
 - Major renovation involves structural changes to the foundation, roof, floor, exterior or loadbearing walls of a facility, or the extension of a facility to increase its floor area. Major renovation also includes any extensive alteration of a facility, such as to significantly change its function and purpose, even if such renovation does not include any structural change.
 - Minor renovation includes all renovation other than major renovation or construction, as defined above.
- **For major renovation requests only:** A statement indicating whether the Tribal Lead Agency owns the facility to be renovated is required. If the Tribal Lead Agency does not own the facility, the application must include information about the owner, a copy of written permission from the owner allowing the proposed renovation, and a copy of the lease for the facility.
- A complete application must be submitted for a major renovation project. Please contact your regional office for support.

Multiprogram Facility

◆ Can Tribal CCDF funds pay in whole or in part for the construction or renovation of a facility or portion of a facility that will be used partially by CCDF and partially by another program (for example, in the case of a Head Start and child care collaboration)?

- Tribal Lead Agency CCDF funds can be used to pay for all or part of the costs, depending on the circumstances of the collaboration. In fact, ACF encourages collaboration between child care and other programs that serve children and families. Regarding Head Start in particular, component 13 in the application checklist requires the applicant to demonstrate the child care and Head Start collaboration if there is a Head Start program in the service area. However, any space (for example, a room or facility) constructed or renovated with CCDF funds must be used at least partially by the CCDF program.
- Furthermore, the other program (for example, Head Start) that will use a CCDF constructed or renovated facility must pay for its use of the space by, for example, paying for its share of the construction or renovation costs or by paying rent under a lease agreement. If the other program pays for its use of the space through a lease, rent must be paid on an ongoing basis (for as long as the other program uses the

facility). If the other program pays rent on a facility that is constructed or renovated solely with CCDF funds, the rent must be treated as program income to the CCDF program. In addition, the Tribal Lead Agency should demonstrate in its construction or renovation application that a multiple-use facility is the best and most efficient way to provide CCDF services.

◆ **What could be considered as an approved document for a statement of who owns the land?**

- The Tribal Lead Agency may have an internal Tribal program that handles land easement, land titles, right-of-way or land leases, or any document that states official record of ownership. If leasing the land, it should indicate who owns the land and the terms of the agreement, including the length of the lease.
- If the land used for construction is not on Tribal land, you could go to your county's lands office for a statement of ownership.

Cost Allocation

◆ **Are Tribal cost allocation plans and indirect costs the same information?**

- An indirect cost is a calculation (percentage) or rate formula to which charges are directed for production or operation.
- Tribal cost allocation document identifies, tracks, and calculates costs that are spread across the agency.
- In the case of construction and major renovation, if the Tribal Lead Agency is choosing to share costs, then a Tribal cost allocation should be provided, which indicates cost assignments. Identifying costs helps each program know who will be paying on various budget items or object codes.

Major versus Minor Renovation

◆ **If we want to renovate a home into a center and want to update the bathrooms, add cabinets, update flooring, upgrade the kitchen area, would that be a minor renovation?**

- Major renovation involves structural changes to the foundation, roof, floor, exterior or loadbearing walls of a facility, or the extension of a facility to increase its floor area. Major renovation also includes any extensive alteration of a facility, such as to significantly change its function and purpose, even if such renovation does not include any structural change.
- Minor renovation includes all renovation other than major renovation or construction, as defined above. These types of expenses do not require an application.
- Please contact your regional office to discuss these projects in more detail to assist in determining if this would be considered a minor renovation.

◆ **Do minor renovations include hands-free sinks, toilets, classroom renovations, upgrades to technology services, parking lot repairs, outside light fixtures, plumbing, and landscaping?**

- Best practice is to contact your regional office for discussion to assist in determining if this would be considered a minor renovation.
- These may be considered minor renovations, and you could use quality dollars to fund these expenses.

- ◆ **Is installing a playground considered major construction, or does it fall under minor renovation?**
 - Stand-alone playgrounds are not usually considered a construction project.
 - If the playgrounds are part of a much larger construction project, it should be included in the construction application in part of the overall facility plan. OCC requests that you include the playground components in the blueprints and in the design of the facility so that OCC knows what your vision is for the facility and surrounding areas. Include the cost of the playground in your application in component 11 as you estimate total costs of the project.
 - Please contact your regional office for more information.
- ◆ **Is the purchase of an existing building considered a major renovation?**
 - Section 658F(b)(1) of the CCDBG Act, 42 U.S.C. § 9858d(b)(1) (2015), prohibits the use of CCDF funds for “the purchase or improvement of land, or for the purchase, construction, or permanent improvement (other than minor remodeling) of any building or facility,” as stated in the program instruction at Section II: Applicability of these Procedures.
- ◆ **Can CCDF construction dollars be used for demolition of existing facilities and site preparation? If an existing facility has asbestos in the walls (hypothetically speaking, of course), can the CCDF funds be used to demolish that facility, including the removal of lead or asbestos?**
 - If the current facility was purchased with CCDF funds, the federal government has continuing reversionary interest in property that was constructed, is a purchased modular, or are major renovated facilities, or that are otherwise acquired with federal funds. The interest takes the form of restrictions on the use and disposition of the property in accordance with the CCDBG Act, 45 C.F.R § 75.318 (2015), as stated in the program instruction at Section VIII: Protection of Federal Interest.
 - Please contact your regional office to discuss the specifics of your request.
- ◆ **Is there a dollar threshold that determines the difference between major renovation (for example, replacing three heating, ventilation, and air conditioning units for a total amount of \$30,000 at the center)?**
 - No. There is not a threshold dollar amount for determining if a project is a major renovation. Remember to follow your Tribe’s fiscal policies around spending thresholds.

Funding

- ◆ **Can funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act; Coronavirus Response and Relief and Supplemental Appropriations (CRRSA) Act; or American Rescue Plan (ARP) Act be used for construction?**
 - CRRSA and ARP Act funds and fiscal year 2021 CCDF funds may be requested for set aside by July 1, 2021. If you have previously set aside CARES funds for construction, those funds may be used for construction.
- ◆ **When providing the projected total cost in the construction application, should we identify future operational costs?**
 - Yes. Component 11 in the application checklist is an estimate of the total cost of the proposed construction or major renovation and includes the following:
 - (a) Estimated one-time costs, including
 - planning costs;

- labor, materials, and services necessary for the functioning of the facility; and
- initial equipment for the facility.

Equipment means items that are tangible, nonexpendable personal property having a useful life of more than 5 years. Some examples of one-time costs are the down payment, professional fees, moving expenses, and the cost of site preparation.

(b) An estimate of ongoing costs, such as staffing costs, supplies, insurance premiums, maintenance costs, property taxes, and any other operating costs for the facility or child care program. When planning for construction or renovation, the Tribal Lead Agency should carefully consider whether it would have sufficient funds to cover ongoing costs that are necessary to operate the facility after the construction or renovation is completed and the impact on the Tribal Lead Agency's ability to meet its child care service obligations. A large-allocation Tribal Lead Agency must demonstrate that it has adequate resources to operate a certificate program, and all Tribes must demonstrate that they will meet quality expenditure requirements in addition to constructing or completing a major renovation project. *(A large-allocation Tribal Lead Agency is a grantee that receives a CCDF allocation of \$1 million or more in a fiscal year. Large-allocation Tribal Lead Agencies are required to operate a certificate program. All Tribes are required to spend a percentage of CCDF expenditures on quality improvement activities.)*

- **Note:** A Tribal Lead Agency cannot use the separate grant award for construction or renovation to pay for ongoing operating costs, such as insurance premiums, maintenance costs, or property taxes. The separate grant award must be used only for one-time construction and renovation costs or principal and interest payments if the project is financed through a loan. However, other CCDF funds from the Tribal mandatory or discretionary grant awards could be used for allowable operating costs, as described in the program instruction application requirements at Section VI: Application Requirements.
- The Tribal Lead Agency can use other tribal programs to assist in providing information for one-time costs (for example, design and engineering departments, environmental offices, land offices, and so on).

◆ **Does the Tribal Lead Agency's allocation size determine a dollar threshold that can be used to set aside funds for construction or major renovation?**

- The Tribal Lead Agency will need to show that adequate child care facilities are not otherwise available and that the lack of facilities will inhibit future program operations. Under the law, use of funds for construction or renovation cannot result in a decrease in the level of child care services compared to the preceding fiscal year, unless ACF grants the Tribal Lead Agency a waiver. To waive that requirement, the decrease of direct services must be temporary. The Tribal Lead Agency must also show that after the construction or renovation is complete, the level of direct services will increase, or the quality of child care services will improve.

Note: Since the increase in CCDF Tribal mandatory and discretionary funds, it might not be necessary to request a waiver. CCDF funds and supplemental funds can be used to help with day-to-day child care services.

◆ **How does the increase in services and supplies affect our construction or major renovation application?**

- The Tribal Lead Agency should carefully consider whether it would have sufficient funds to cover ongoing costs necessary to operate the facility after the construction or renovation is completed, as well as the impact on the Tribal Lead Agency's ability to meet its child care service obligations.
- The cost estimate will need to be included in component 11 on the application checklist.

◆ **Can we combine different amounts from different funds to make up the construction application?**

- Yes. Funds from various funding sources may be used. However, the July 1, 2021, deadline is for the use of funds awarded in grant year 2021.

- For example, you could have \$250,000 from Grant Year 2021 CCDF Funds discretionary, \$500,000 from CRSSA, and \$350,000 from the ARP Act discretionary to total \$1,100,000 for your construction or major renovation project.
- ◆ **Due to the coronavirus disease 2019 (COVID-19) pandemic last year, can we submit a set-aside request for grant year 2020 funds?**
 - No. OCC has not issued any exceptions for requesting grant year 2020 funds. At this time, grant year 2021 are the only funds that can be requested for the set-aside.
- ◆ **How do we pay our architect if we can't use CCDF funds before an approved application?**
 - A Tribal Lead Agency may use CCDF funds only to pay for the costs of an architect, engineer, or other consultant for a project that is subsequently approved by ACF. If the project later fails to gain ACF approval, the Tribal Lead Agency must pay for the architectural, engineering, or consultant costs using non-CCDF funds and must make a retroactive adjustment to its CCDF grant claims. Disapproval of a project is unlikely if the Tribe follows the application procedures and federal requirements and works closely with its OCC regional office as it develops the project. A Tribe is encouraged to contact its OCC regional office for guidance before undertaking the initial planning process for a construction or renovation project, as stated in the program instruction at Section V: Planning Costs.
- ◆ **The Tribal Lead Agency applied for construction or major renovation from the prior fiscal year and will need to add additional funds or changes. Is this allowed?**
 - Yes. You can request additional amounts to support your approved project. An amendment will be submitted to request the additional funds and any other changes to the project. You need to submit the request by July 1, 2021. Please contact your regional office to discuss this request.
- ◆ **Can a Tribe serve children who are not eligible for CCDF (in other words, children who are not eligible to receive CCDF services and private pay) in child care facilities that are constructed or have had major renovations using CCDF funds?**
 - A child care facility that is constructed or renovated with CCDF dollars funds be used primarily to serve CCDF-eligible children, and eligible children must receive priority over non-eligible children if only a limited number of the children needing services can be served. This policy is consistent with Section 658O(c)(6) of the CCDBG Act that says CCDF construction or major renovation funds are for facilities that will be used to carry out CCDF programs. However, there is no prohibition against serving some non-eligible children in the facility. (**Note:** CCDF-eligible children may or may not actually be receiving CCDF subsidies, depending on the availability of funding and other factors).

The National Center on Tribal Early Childhood Development is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care.

The National Center on Tribal Early Childhood Development, A Service of the Office of Child Care

9300 Lee Highway
Fairfax, VA 22031

Phone: 877-296-2401
Email: nctecd@ecetta.info

Subscribe to Updates
http://www.occ-cmc.org/occannouncements_sign-up/



ADMINISTRATION FOR
CHILDREN & FAMILIES