

**Fiscal Year (FY) 2006 Program Improvement Funds**

ACYF Administration on Children, Youth and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families	
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	3. Originating Office: Head Start Bureau	
	4. Key Word: One-time Program Improvement Funds	

**PROGRAM INSTRUCTION:**

**TO:** Head Start/Early Head Start Grantees and Delegate Agencies

**SUBJECT:** Fiscal Year (FY) 2006 Program Improvement Funds

**INFORMATION:**

In FY 2006, the Administration for Children and Families (ACF) will make available one-time Program Improvement funds. These funds are intended to allow Head Start grantees to make one-time investments in improving program quality that would not be possible without this supplemental funding. ACF has decided to do this for several reasons:

- In the FY 2005 funding guidance grantees were asked to submit one-time funding needs to their Regional Offices. We appreciate that many grantees invested considerable time and effort in these proposals and that, for most, the one-time funding needs still exist.
- In FY 2005, many grantees were underenrolled and did not, therefore, expend their full Head Start grant award. This has resulted in ACF being able to recapture, in FY 2006, unobligated balances that can be used for other Head Start purposes.
- It is unlikely there will be another opportunity to address one-time funding needs anytime in the near future. As grantees continue to make improvements in addressing their underenrollment problems, we anticipate there will be considerably less unobligated balance available next year and in future years than has been the case in the last few years.

Grantees interested in submitting an application for a portion of these funds must do one of two things:

- Grantees that submitted one-time requests in response to last year's funding guidance need to confirm with the appropriate Regional Office that funding for your request is still needed. You should include a brief justification as to why that is the case.
- For those that did not submit a request last year, you should forward a funding request to the Regional Office with the following information:
  - The funding level requested;
  - The purpose for the funds requested;
  - If the request is related to health or safety issues;
  - The impact funding this request will have on the program's ability (for both this and future years) to deliver quality Head Start services;
  - A discussion of why the grantee cannot fund this item from its annual Head Start grant award; and
  - A discussion of the consequences should the funding request be declined.

Grantees should be advised that ACF will be using these one-time funds only to meet grantee needs for items which are non-predictable or non-recurring, i.e., grantees have a need for such an item only once every several years. A few examples of the types of one-time requests that will be considered include: needed renovations and repairs to buildings and operating systems, improvements to outside play areas, making a down payment on a new facility to be purchased because the grantee's previous facility is not suitable for Head Start or no longer available to the grantee, and purchasing child restraint systems so that children may be transported safely and consistent with the requirements of 45 CFR Part 1310.

Items that are reasonably predictable and recurring, such as, classroom equipment and supplies and office equipment and supplies will not be covered. Furthermore, one-time funds will not generally be made available to purchase buses, except when grantees can demonstrate that they could not reasonably have been expected to anticipate their need for a new vehicle.

All grantees that believe they have a legitimate one-time funding need related to health or safety or improving program quality are encouraged to submit a request to their Regional Office. All such requests must be received by the Regional Office no later than

May 26, 2006. Decisions about the allocation of these funds will be made this summer, and successful grantees will be issued grant awards prior to the end of this fiscal year. As in previous years, health and safety requests will be given priority.

ACF wants to emphasize that FY 2006 will be the last year, at least for the foreseeable future, in which one-time program improvement funds, other than for emergencies, will be awarded. Grantees should understand that the anticipated lack of significant unobligated balances in FY 2007 precludes us from doing anything with this year's unobligated balances except using them in a manner that will not require any future year commitments.

Grantees are advised that if they have one-time funding needs that are of an emergency nature, a request should be submitted to their Regional Office as soon as possible at any point in the fiscal year.

Please direct any questions on this matter to your ACF Regional Office.

Sincerely,

Frank Fuentes  
Acting Associate Commissioner  
Head Start Bureau

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