



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Head Start | 330 C St., SW, 4th Floor, Washington DC 20201 | eclkc.ohs.acf.hhs.gov

April 27, 2024

Grant No. 04HP000306

Dear Head Start Grant Recipient,

The Further Consolidated Appropriations Act, 2024, contains an increase for Head Start of \$275 million over the Fiscal Year (FY) 2023 level for a cost-of-living adjustment (COLA). The COLA supports a 2.35 percent adjustment above FY 2023 funding levels to increase the pay scales of Head Start and Early Head Start staff, including vacant positions, and delegate agency or other partners providing direct services.

The following table reflects the COLA increase(s) available for FY 2024.

Funding Type	Early Head Start
Cost-of-Living Adjustment (COLA)	\$98,746
Total Funding	\$98,746

Please note, this permanent increase is effective at the start of the FY 2024 budget period and is retroactive if this period has already commenced. Applicable to recipients operating both a Head Start and Early Head Start program, allocations for each program **must** be applied accordingly.

Application Submission Requirements/Notice of Award (NoA)

Recipients that have already submitted a FY 2024 non-competing new (NCN) or non-competing continuation (NCC) application **are not** required to submit a COLA supplemental request. Each recipient will receive a Notice of Award for an amount proportionate to the COLA increase appropriated by Congress. The table above reflects the increase(s) added to your FY 2024 base levels.

Recipients that have not yet submitted their FY 2024 NCN or NCC application must include their COLA allocation in the annual application.

For additional information on the allowable uses of COLA funding, refer to Program Instruction ACF-OHS-PI-24-02.

Required Use of COLA Funds

Recipients are required to ensure COLA funds are applied as follows:

- A permanent increase to the pay scale of no less than the required 2.35 percent adjustment for each Head Start/Early Head Start (including EHS-CCP) position, including current employees and unfilled vacancies subject to the provisions of Sections 653 and 640(j) of the Head Start Act;
- The provision of a no less than 2.35 percent increase to all delegate agencies and partners providing direct services;
- Ensure increases are applied retroactively to the start of the FY 2024 budget period including distributing funds to affected employees, if applicable;
- Any remaining amount following the required 2.35 percent increase to the Head Start pay scale, and delegate agencies and partners, may be applied to fringe benefits, and other costs necessary to operate the program.

Recipients must maintain documentation to justify applying differential COLA adjustments to pay scales and/or to delegate agencies and partners.

Other Uses or Declination of COLA Funds

Recipients planning to use COLA funds for any purpose other than as required above, must submit a budget revision amendment for consideration in the Head Start Enterprise System (HSES) no later than thirty (30) days from the issuance date of the Notice of Award.

If any portion of the funding identified above will not be needed, a statement regarding this decision must be submitted through HSES Correspondence no later than thirty (30) days from the issuance date of the Notice of Award. The subject line of the HSES Correspondence should read –“[recipient grant number] [recipient name] –declination of [all or portion] COLA funds”. Please note, this declination must be signed by the Board Chair. As a reminder, these funds are permanent increases to the Head Start and Early Head Start base funding levels. A declination of any portion of the funds may impact budgets for subsequent years.

Non-Federal Match

The requirements of Sec. 640(b) of the Head Start Act are applicable to COLA funding increases. Any previously approved non-federal match waivers for a recipient's FY 2024 budget period will apply to the entire budget, including COLA. The non-federal match requirement will be reduced proportionally.

Program Improvement (One-Time) Requests

Recipients encountering program improvement needs that cannot be supported by the agency budgets or other resources are invited to apply for one-time funding. This funding must be applied for through the appropriate supplemental amendment type in HSES. Program Improvement requests generally include, but are not limited to, facility projects (construction, purchase, or major renovations requiring 1303 applications or minor repairs and enhancements). Requests are prioritized and funded based on funding availability and may require additional time before a final decision is made. For questions regarding program improvement needs and requests, please contact your regional office.

For any questions or assistance, please contact Erik Dennis, Head Start Program Specialist, at 404-562-0563 or erik.dennis@acf.hhs.gov or Lucy Blakney, Grants Management Specialist, at 404-562-2842 or lucy.blakney@acf.hhs.gov.

Sincerely,

The Office of Head Start