§ 366.40 How does the Director initiate enforcement procedures?

(a) If the Director determines that any center receiving funds under this part is not in compliance with the standards and assurances in section 725 (b) and (c) of the Act and subparts F and G of this part, the Director shall immediately provide the center, by certified mail, return receipt requested, or other means that provide proof of receipt, with an initial written notice that the center is out of compliance with the standards and assurances and that the Director will terminate the center’s funds or take other proposed significant adverse action against the center 90 days after the center’s receipt of this initial written notice. The Director shall provide technical assistance to the center to develop a corrective action plan that complies with the standards and assurances.

(b) If the center does not submit a corrective action plan to the Secretary, the center has 90 days after receiving the notification required by paragraph (a) of this section to request a hearing by submitting a formal written request that gives the reasons why the center believes that the Secretary should have found the center in compliance with the standards and assurances in section 725 (b) and (c) of the Act and subparts F and G of this part.

(c) The date of filing a formal written request for a hearing to the Secretary is determined in a manner consistent with the requirements of 34 CFR 81.12.

(d) The Secretary issues a written decision to terminate funds to the center if, after providing reasonable notice and an opportunity for a hearing, the Secretary finds that—

(1) The center receiving funds under this part is not in compliance with the standards and assurances in section 725 (b) and (c) of the Act and subparts F and G of this part; or

(2) The center’s corrective action plan submitted under paragraph (b)(1) of this section cannot be approved.

(e) The Secretary’s decision to terminate funds to a center pursuant to § 366.46 takes effect upon issuance.

§ 366.41 What must be included in an initial written notice from the Director?

The initial written notice required by § 366.40(a) must—

(a) Include, at a minimum, the following:

(1) The name of the center.

(2) The reason or reasons for proposing the termination of funds or other significant adverse action against the center, including any evidence that the center has failed to comply with any of the evaluation standards or assurances in section 725(b) and (c) of the Act and subparts F and G of this part.

(3) The effective date of the proposed termination of funds or other significant adverse action against the center.

(b) Be given 90 days in advance of the date the Director intends to terminate a center’s funds or take any other significant adverse action against the center.