

109TH CONGRESS
1ST SESSION

H. R. 778

To amend the Head Start Act to provide greater accountability for Head Start agencies.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2005

Mr. PUTNAM introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Head Start Act to provide greater accountability for Head Start agencies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Head Start Account-
5 ability Act of 2005”.

6 **SEC. 2. FINANCIAL ASSISTANCE FOR HEAD START PRO-**
7 **GRAMS.**

8 Section 638 of the Head Start Act (42 U.S.C. 9833)
9 is amended by inserting “for a period of 5 years” after
10 “provide financial assistance to such agency”.

1 **SEC. 3. DESIGNATION OF HEAD START AGENCIES.**

2 Subsections (a), (b), and (c) of section 641 of the
3 Head Start Act (42 U.S.C. 9836) are amended to read
4 as follows:

5 “(a) DESIGNATION.—

6 “(1) IN GENERAL.—The Secretary is authorized
7 to designate as a Head Start agency any local public
8 or private nonprofit or for-profit agency, within a
9 community, including a community-based organiza-
10 tion, that—

11 “(A) has power and authority to carry out
12 the purpose of this subchapter and perform the
13 functions set forth in section 642 within such
14 community; and

15 “(B) is determined by the Secretary (in
16 consultation with the chief executive officer of
17 the State involved, if the State expends non-
18 Federal funds to carry out Head Start pro-
19 grams) to be capable of planning, conducting,
20 administering, and evaluating, either directly or
21 by other arrangements, a Head Start program.

22 “(2) REQUIRED GOALS FOR DESIGNATION.—In
23 order to be eligible for designation as a Head Start
24 agency, an entity described in paragraph (1) shall
25 establish program goals for continuous improvement
26 in all areas of program operations (including early

1 childhood development and health services), program
2 design and management, and family and community
3 partnerships.

4 “(3) ELIGIBILITY FOR SUBSEQUENT DESIGNA-
5 TION.—In order to be eligible for designation as a
6 Head Start agency subsequent to the initial designa-
7 tion made by the Secretary after the effective date
8 of the Head Start Accountability Act of 2005, a
9 Head Start agency shall demonstrate that such
10 agency has met or is making progress toward meet-
11 ing such goals.

12 “(4) LOCAL OVERSIGHT BOARD.—In order to
13 be eligible for designation as a Head Start agency,
14 an entity described in paragraph (1) shall establish
15 a local oversight board that—

16 “(A) is composed of volunteer individuals
17 who include (but are not limited to) a Head
18 Start parent, a representative of a school board,
19 a child development expert, a member of the
20 business community, and other volunteer indi-
21 viduals who are residents of the community, in-
22 cluding individuals who have an understanding
23 of the general principles of accounting, law,
24 business administration, and management;

1 “(B) operates as a unit independent of
2 staff employed by such agency;

3 “(C) actively participates in the develop-
4 ment, strategic planning, implementation, and
5 evaluation of the Head Start program for which
6 it is established;

7 “(D) provides oversight of such program to
8 ensure that such Head Start agency is deliv-
9 ering high quality services to children and fami-
10 lies in compliance with all applicable standards
11 in effect under this subchapter and with the ap-
12 plicable performance measures established by
13 the Secretary under section 644;

14 “(E) takes no action that may provide
15 (and takes appropriate action to prevent pro-
16 viding) any direct or indirect financial benefit
17 to any member of such board or to any member
18 of the staff of such agency;

19 “(F) reviews and approves annually the
20 operating budget of such program;

21 “(G) reviews and approves the bylaws ap-
22 plicable to such program;

23 “(H) reviews annually the human re-
24 sources (including administrative and manage-
25 ment staff) available to carry out such program

1 and makes recommendations regarding such re-
2 sources to ensure the effective operation of such
3 program; and

4 “(I) monitors staff implementation of any
5 corrective action necessary to comply with ap-
6 plicable laws (including regulations) governing
7 financial statements and with all requirements
8 applicable under this subchapter.

9 “(b) COMMUNITIES.—For purposes of this sub-
10 chapter, a community may be a city, county, or multicounty
11 or multicounty unit within a State, an Indian reservation
12 (including Indians in any off-reservation area designated
13 by an appropriate tribal government in consultation with
14 the Secretary), or a neighborhood or other area (irrespec-
15 tive of boundaries or political subdivisions) that provides
16 a suitable organizational base and that possesses the com-
17 monality of interest needed to operate a Head Start pro-
18 gram.

19 “(c) PRIORITY IN DESIGNATION.—In administering
20 the provisions of this section, the Secretary shall, in con-
21 sultation with the chief executive officer of the State in-
22 volved, give priority in the designation (including a subse-
23 quent designation) of Head Start agencies to any high-
24 performing Head Start agency or delegate agency that—

1 “(1) is receiving assistance under this sub-
2 chapter;

3 “(2) meets or exceeds program and financial
4 management requirements, standards described in
5 section 641A(a)(1), and other requirements estab-
6 lished by the Secretary;

7 “(3) has no unresolved programmatic defi-
8 ciencies or areas of noncompliance, and has not had
9 findings of deficiencies during the then most recent
10 triennial review conducted under section 641A(c);
11 and

12 “(4) has taken the actions required by the Sec-
13 retary under section 647(c) to correct deficiencies.”.

14 **SEC. 4. QUALITY STANDARDS; MONITORING OF HEAD**
15 **START AGENCIES AND PROGRAMS.**

16 (a) **QUALITY STANDARDS.**—Section 641A(a) of the
17 Head Start Act (42 U.S.C. 9836a(a)) is amended—

18 (1) in paragraph (1) by amending subpara-
19 graph (C) to read as follows:

20 “(C) administrative and financial manage-
21 ment standards, including internal controls nec-
22 essary to safeguard Federal funds;”, and

23 (2) by adding at the end the following:

24 “(4) **EVALUATIONS AND CORRECTIVE ACTIONS**
25 **FOR DELEGATE AGENCIES.**—

1 “(A) PROCEDURES.—Each Head Start
2 agency shall establish procedures relating to its
3 delegate agencies, including—

4 “(i) procedures for evaluating delegate
5 agencies;

6 “(ii) procedures for terminating finan-
7 cial assistance otherwise provided to dele-
8 gate agencies; and

9 “(iii) procedures for appealing a fi-
10 nancial assistance termination decision re-
11 lating to a delegate agency.

12 “(B) EVALUATIONS.—Each Head Start
13 agency—

14 “(i) shall evaluate its delegate agen-
15 cies using the procedures established pur-
16 suant to this section; and

17 “(ii) shall inform such delegate agen-
18 cies of the deficiencies identified through
19 the evaluation that are required to be cor-
20 rected.

21 “(C) REMEDIES TO ENSURE CORRECTIVE
22 ACTIONS.—If a Head Start agency identifies a
23 deficiency for a delegate agency through the
24 evaluation, such Head Start agency may—

1 “(i) initiate procedures to terminate
2 the designation of such delegate agency
3 unless such delegate agency corrects the
4 deficiency;

5 “(ii) conduct monitoring visits, as
6 needed and without notice, to such dele-
7 gate agency until either such deficiency is
8 corrected or such Head Start agency ter-
9 minates the financial assistance otherwise
10 provided to such delegate agency; and

11 “(iii) release funds to such delegate
12 agency only as reimbursements until either
13 such deficiency is corrected by such dele-
14 gate agency or such Head Start agency
15 terminates financial assistance otherwise
16 provided such delegate agency.

17 “(D) RULE OF CONSTRUCTION.—Nothing
18 in this paragraph shall be construed to modify
19 or supersede the responsibilities of the Sec-
20 retary with respect to Head Start agencies or
21 delegate agencies that receive financial assist-
22 ance under this subchapter.”.

23 (b) CORRECTIVE ACTION; TERMINATION.—Section
24 641A(d) of the Head Start Act (42 U.S.C. 9836a(d)) is
25 amended—

1 (1) in paragraph (1)(B)(ii)—

2 (A) by striking “90” and inserting “60”,

3 and

4 (B) by striking “90-day” and inserting

5 “60-day”, and

6 (2) in paragraph (2)—

7 (A) in subparagraph (A) by striking “90-

8 day” and inserting “60-day”, and

9 (B) by amending subparagraph (B) to read
10 as follows:

11 “(B) SECRETARIAL RESPONSIBILITY.—The
12 Secretary shall—

13 “(i) not later than 30 days after re-
14 ceiving from a Head Start agency a pro-
15 posed quality improvement plan for correc-
16 tive action pursuant to subparagraph (A),
17 either approve such plan or specify the rea-
18 sons why such plan cannot be approved;
19 and

20 “(ii) not later than 60 days after ap-
21 proving a quality improvement plan under
22 this subparagraph, conduct an on-site re-
23 view to certify that all deficiencies of such
24 Head Start agency, and of all Head Start
25 programs operated by such Head Start

1 agency, have been corrected in accordance
2 with the standards established under this
3 subchapter and with the results-based per-
4 formance measures developed by the Sec-
5 retary under subsection (b).”.

6 **SEC. 5. APPEALS, NOTICE, AND HEARING.**

7 (a) PROCEDURES.—Paragraphs (2) and (3) of sec-
8 tion 646(a) of the Head Start Act (42 U.S.C. 9841(a))
9 are amended to read as follows:

10 “(2) except in emergency situations, a recipient of fi-
11 nancial assistance under this subchapter shall receive writ-
12 ten notice not less than 30 days before such assistance
13 is suspended, terminated, or reduced;

14 “(3) such recipient shall be provided an opportunity
15 for full and fair hearing, including an opportunity to show
16 cause why the action described in such notice should not
17 be taken; and”.

18 (b) LIMITATION ON USE OF FUNDS.—Section 646 of
19 the Head Start Act (42 U.S.C. 9841) is amended by add-
20 ing at the end the following:

21 “(f) A recipient of financial assistance under this sub-
22 chapter may not use such assistance for the purpose of
23 appealing any decision made by the Secretary under this
24 subchapter.”.

1 **SEC. 6. AUDITS.**

2 Section 647 of the Head Start Act (42 U.S.C. 9842)
3 is amended by adding at the end the following:

4 “(c)(1) Not later than 60 days after the end of each
5 fiscal year, each Head Start agency shall submit to the
6 Secretary an independent financial audit of the Head
7 Start program carried out with financial assistance pro-
8 vided under this subchapter. Such audit shall be carried
9 out by a certified public accountant selected through a
10 competitive process from among qualified certified ac-
11 countants by the local oversight board established in ac-
12 cordance with section 641(a) by such agency, except that
13 no accountant may perform audits of such program for
14 a period exceeding 2 consecutive fiscal years.

15 “(2) Not later than 60 days after receiving such
16 audit, the Secretary shall provide to such agency, and to
17 the chief executive officer of the State in which such pro-
18 gram is operated, a notice identifying the actions such
19 agency is required to take to correct all deficiencies identi-
20 fied in such audit.

21 “(d) Each recipient of financial assistance under this
22 subchapter shall—

23 “(1) maintain, and annually submit to the Sec-
24 retary, a complete accounting of its administrative
25 expenses (including a detailed statement identifying
26 the amount of financial assistance provided under

1 this subchapter used to pay expenses for salaries
2 and compensation and the amount (if any) of other
3 funds used to pay such expenses); and

4 “(2) provide such additional documentation as
5 the Secretary may require.”.

6 **SEC. 7. EFFECTIVE DATE.**

7 This Act and the amendments made by this Act shall
8 take effect on the 1st day of the 1st fiscal year beginning
9 after the date of the enactment of this Act.

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