

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE  
SOUDER OF INDIANA, OR HIS  
DESIGNEE, DEBATABLE FOR 10 MINUTES:

14 rev/rev

**AMENDMENT TO H.R. 2123, AS REPORTED**

**OFFERED BY MR. SOUDER OF INDIANA**

*Strike page 71, line 22 through page 77, line 13*  
~~Page 71-77, strike lines 22 through 13, and in-~~

sert the following:

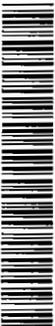
1           “(4) Implement a system of shared governance  
2           for oversight of the Head Start program, which in-  
3           cludes the following:

4                   “(A) An independent board of directors se-  
5                   lected from among eligible individuals who shall  
6                   serve on the board of directors (or may des-  
7                   ignate an existing entity whose members are eli-  
8                   gible individuals, that shall be such board) for  
9                   a period not to exceed 5 years, except that  
10                  board members who oversee a public entity and  
11                  who are selected by election (or members of a  
12                  board of a local educational agency or a local  
13                  council, appointed by an elected official or an  
14                  official of a general purpose local government),  
15                  may serve for such period as may be deter-  
16                  mined by the electing or appointing authority,  
17                  as the case may be. An individual who has a  
18                  conflict of interest is ineligible to serve as a  
19                  member of the board of directors. Members of



1 the board of all nonpublic entities shall include  
2 representatives of the local community (includ-  
3 ing at least 1 member with significant financial  
4 management, or, accounting experience and the  
5 chair of the council described in section  
6 642(b)(4)(B)). Additional members shall be se-  
7 lected for their expertise in education, business  
8 administration, community affairs, government,  
9 legal affairs, and such other areas of expertise  
10 as may contribute to effective governance of the  
11 Head Start agency. All members of the board  
12 of directors shall adopt practices that assure ac-  
13 tive, independent and informed governance of  
14 the Head Start agency, including independent  
15 oversight of the financial and management  
16 practices of such agency. The board of directors  
17 shall provide direction to the executive director  
18 of the Head Start agency and shall operate as  
19 an entity independent of staff employed by the  
20 head Start agency, entity, or applicant and have  
21 the following duties and responsibilities:

22 (i) To provide independent oversight  
23 to ensure that the Head Start agency  
24 under the direction of the executive direc-  
25 tor is delivering high quality services to



1 children and families in compliance with all  
2 applicable standards in effect under this  
3 subchapter and with the applicable per-  
4 formance measures established by the Sec-  
5 retary under section 644.

6 “(ii) To establish 1 or more standing  
7 committees to facilitate governance of the  
8 Head Start agency which shall include the  
9 following: an audit and finance committee  
10 whose primary responsibility shall be—

11 “(I) to approve annually the op-  
12 erating budget of the Head Start  
13 agency;

14 “(II) to review and recommend  
15 to the board of directors the selection  
16 of independent auditors who shall re-  
17 port all critical accounting policies  
18 and practices to the finance and audit  
19 committee;

20 “(III) to review and recommend  
21 to the board of directors the termi-  
22 nation or extension of the existing  
23 audit firm at least once every 5 years;

24 “(IV) to review and advise the  
25 board of directors of the audit man-



1                   agement letter provided pursuant to  
2                   the chapter 75 of title 31 of the  
3                   United States Code, and of any audit  
4                   findings; and

5                   “(V) to monitor agency actions to  
6                   correct any such audit findings or  
7                   other actions necessary to comply with  
8                   applicable laws (including regulations)  
9                   governing financial statements and ac-  
10                  counting practices.

11                  “(iii) To approve the selection and  
12                  dismissal of the Head Start director, and  
13                  to review annually the human resources  
14                  available to ensure the effective operation  
15                  of the Head Start agency.

16                  “(iv) To consult on a regular basis,  
17                  with the policy council and to take actions  
18                  on recommendations submitted by such  
19                  council.

20                  “(v) To review and approve the major  
21                  operational policies of the Head Start  
22                  agency, including policies addressing ac-  
23                  counting, financial management, procure-  
24                  ment, record confidentiality, and personnel  
25                  (including specific standards governing sal-



1 aries, salary adjustments, travel and per  
2 diem allowances, and other employee bene-  
3 fits)

4 “(vi) To ensure that the Head Start  
5 agency is operated in compliance with ap-  
6 plicable Federal, State, and local laws (in-  
7 cluding regulations), and to monitor agen-  
8 cy implementation of any corrective action  
9 necessary to comply with applicable laws  
10 (including regulations);

11 “(vii) To oversee the program plan-  
12 ning of the Head Start agency, including  
13 adoption of the Head Start agency philos-  
14 ophy and mission statement, adoption of  
15 policies for determining community needs,  
16 setting long- and short-range goals and ob-  
17 jectives, establishment of criteria for select-  
18 ing families in Head Start programs or  
19 Early Head Start programs, and to oversee  
20 and approve the agency’s applications to  
21 receive funds made available under this  
22 subchapter; and

23 “(viii) To establish, to adopt, and to  
24 periodically update written standards of  
25 conduct that establish standards and for-



1 mal procedures for disclosing, addressing  
2 and resolving—

3 “(I) any conflict of interest, and  
4 any appearance of a conflict of inter-  
5 est by board members, officers, em-  
6 ployees, consultants, and agents who  
7 provide services or furnish goods to  
8 the Head Start agency; and

9 “(II) complaints, including inves-  
10 tigation, when appropriate.

11 “(ix) To develop processes, in con-  
12 sultation with the policy council, to resolve  
13 internal disputes in the instance when the  
14 board of directors and the policy council  
15 have reached an impasse on an issue of  
16 dispute relative to matters of joint govern-  
17 ance.

18 “(x) In all matters of serious fiscal  
19 mismanagement, fraud, or criminal activ-  
20 ity, the board of directors will have discre-  
21 tionary authority to act unilaterally with-  
22 out policy council approval.

23 “(B) A policy council, a majority of whose  
24 representatives shall be parents of children par-  
25 ticipating in a Head Start program or in an



1 Early Head Start program, or of children who  
2 participated in an Early Head Start program in  
3 the then most recent 5-year period preceding  
4 the selection of the particular representative in-  
5 volved, and whose primary responsibilities shall  
6 be to serve as a link between parents and the  
7 board of directors and to share joint respon-  
8 sibilities with the board of directors in making  
9 recommendations and approving or dis-  
10 approving the following program planning and  
11 operation activities:

12 “(i) Program planning, including—

13 “(I) program design and man-  
14 agement, including long and short-  
15 term planning goals, all funding appli-  
16 cations and amendments to funding  
17 applications and objectives based on  
18 the annual community assessment and  
19 self-assessment;

20 “(II) program recruitment, selec-  
21 tion, and enrollment priorities;

22 “(III) budget planning for pro-  
23 gram expenditures, including policies  
24 for reimbursement and participation  
25 in policy council activities; and



1                   “(IV) the operating budget of the  
2                   Head Start agency.

3                   “(ii) Program operation policies, in-  
4                   cluding standards of conduct for program  
5                   staff and volunteers, and policies governing  
6                   employment and dismissal of program  
7                   staff.

8                   “(iii) Selection and dismissal of the  
9                   Head Start director and program staff.

10                  “(iv) Activities to support the active  
11                  involvement of parents in supporting pro-  
12                  gram operations.

13                  “(v) Classroom activities and staffing.

14                  “(vi) Program responsiveness to com-  
15                  munity and parent needs.

16                  “(vii) Processes to resolve internal  
17                  disputes in the instance when the board of  
18                  directors and the policy council have  
19                  reached an impasse on an issue of dispute  
20                  relative to matters of joint governance.

21                  “(viii) Other areas the council identi-  
22                  fies as necessary to improve program oper-  
23                  ations.

24                  “(C) Training for all members of the board  
25                  of directors and policy council in the manage-



1           ment responsibilities and obligations, ethics,  
2           and financial literacy and management.”.

Page 78, line 6, strike “section 642(b)(4)(B)(ii)”  
and insert “section 642(b)(4)(B)”.

