1302.11 Selection among applicants to replace grantee.

Subpart C—Change in Grantee Requiring Amendment of Approved Application or Replacement of Head Start Program

1302.20 Grantee to show both legal status and financial viability.

1302.21 Grantee shows legal status but not financial viability.

1302.22 Suspension or termination of grantee which shows financial viability but not legal status.

1302.23 Suspension or termination of grantee which shows legal status but not financial viability.

1302.24 Denial of refunding of grantee.

1302.25 Control of funds of grantee scheduled for change.

Subpart D—Replacement of Indian Tribal Grantees

1302.30 Procedure for identification of alternative agency.

1302.31 Requirements of alternative agency. 1302.32 Alternative agency—prohibition.

AUTHORITY: 42 U.S.C. 9801 et seq.

SOURCE: 44 FR 24062, Apr. 24, 1979, unless otherwise noted.

Subpart A—General

$\S 1302.1$ Purpose and scope.

The purpose of this part is to set forth policies and procedures for the selection, initial funding and refunding of Head Start grantees and for the selection of replacement grantees in the event of the voluntary or involuntary termination, or denial of refunding, of Head Start programs. It particularly provides for consideration of the need for selection of a replacement grantee where the continuing eligibility (legal status) and fiscal capability (financial viability) of a grantee to operate a Head Start program is cast in doubt by the cessation of funding under section 519 of the Act or by the occurrence of some other major change. It is intended that Head Start programs be administered effectively and responsibly; that applicants to administer programs receive fair and equitable consideration; and that the legal rights of current Head Start grantees be fully protected.

§1302.2 Definitions.

As used in this part—

Act means Title V of The Economic Opportunity Act of 1964, as amended.

Approvable application means an application for a Head Start program, either as an initial application or as an application to amend an approved application governing an on-going Head Start program, which, in addition to showing that the applicant has legal status and financial viability, provides for comprehensive services for children and families and for effective and responsible administration which are in conformity with the Act and applicable regulations, the Head Start Manual and Head Start policies.

Community action agency means a public or private nonprofit agency or organization designated as a community action agency by the Director of the Community Services Administration pursuant to section 210(a) or section 210(d) of the Act.

Community action program means a program operated by a community action agency.

Financial viability means the capability of an applicant or the continuing capability of a grantee to furnish the non-Federal share of the cost of operating an approvable or approved Head Start program.

Head Start grantee or grantee means a public or private nonprofit agency or organization whose application to operate a Head Start program pursuant to section 514 of the Act has been approved by the responsible HHS official.

Indian tribe means any tribe, band, nation, pueblo, or other organized group or community of Indians, including any Native village described in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c)) or established pursuant to such Act (43 U.S.C. 1601 et seq.) that is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

Legal status means the existence of an applicant or grantee as a public agency or organization under the law of the State in which it is located, or existence as a private nonprofit agency or organization as a legal entity recognized under the law of the State in