

 <b>Policy #: PG-5</b>	<b>Effective Date:</b>	<b>Page #: 1 of 4</b>
<b>Ref #:</b> 1301.6; HSA 642(c)(3)(d)(1) Board By-Laws – Article XI & Policy Council By-Laws – Article VII; Personnel Policies 505	<b>Policy Council Approval Date  of Policy:</b>	

**COMPONENT: PROGRAM DESIGN & MANAGEMENT – PROGRAM GOVERNANCE**

**SUBJECT: INTERNAL DISPUTE RESOLUTION**

**POLICY:** To establish a procedure allowing Highland Rim Economic Corporation and the Head Start Policy Council to resolve differences in an orderly manner.

**PROCEDURE:**

**Resolution of Conflict**

The following procedures will allow Highland Rim Economic Corporation and the Head Start Policy Council to resolve differences in an orderly manner.

Highland Rim Economic Corporation desires that all matters which are presented to the Board of Directors and the Policy Council be presented in a fashion that allows all parties ample time to ask questions concerning the issue and to make comments as to their concerns. When the Board of Directors and the Policy Council do not agree, the following procedures will be followed to allow for a timely solution to the differences.

If issues have arisen upon which the Board of Directors and the Policy Council cannot agree, the parties must attempt to resolve them by means of additional meetings. After such meetings, if the Board of Directors believes the Policy Council will not approve its decision, they shall notify the Policy Council in writing. The notice shall contain a statement of the factors supporting their proposed decision or action.

Within 10 days after receipt of the notice, the Policy Council shall hold a special meeting to consider the Board’s proposed decision or action. Immediately after the special meeting, the Policy Council shall notify the Board in writing of its approval or disapproval of the proposed decision or action. If the notice is of disapproval, it shall contain a statement of the reasons.

In the event of a disapproval and if the Board desires further consideration of the matter, it shall initiate a meeting between itself and the Policy Council for the purposes of attempting to resolve their differences.

If after these efforts, the Board and the Policy Council are unable to reach an agreement, the proposed decision or action shall not be taken.

A mediator (neutral third party who does not decide the dispute) may be brought in to assist both the Board and the Policy Council to focus their interests and goals in order to come to an agreement that meets their individual and mutual objectives. Mediators are prohibited from discussing the case with anyone outside the mediation process and only one person from each side is allowed to present the facts for consideration. A mediator's fee is an allowable cost to the program grant; however, approval is required from a federal official.

When an impasse occurs and the conflict involves hiring or firing of the Head Start Director, a grant request for refunding, or major changes in budget and work programs while the program is in operation, the Board must require that it be submitted to binding arbitration. The arbitration shall be conducted by a panel of three (3) arbiters, one to be designated by the Board of Directors, one to be designated by the Policy Council, and the third who will be designated by the other two members and who will serve as chairperson of the arbitration panel. The arbiters shall be persons of good reputation and standing in the community and shall not be associated with the Head Start Program. If the two arbiters first designated are unable to agree upon a third arbiter within seven (7) days after the designation of the second of them, they will request the State or local bar association or the American Arbitration Association to name one of its members who would be willing to serve as chairman. None of the arbiters shall be relatives of any of the parties and they shall without compensation.

When the Board decides to submit the impasse to arbitration, it shall notify the Policy Council in writing that the impasse is to be resolved by binding arbitration. The Notice shall include:

A statement of the issue on which the Board and the Policy Council are at impasse;

The name and address of the person the Board has designated as a member of the arbitration panel.

A request that the Policy Council designate a member of the arbitration panel within seven (7) days of the receipt of the Notice and instruct him/her to communicate immediately with person designated by the Board for the purpose of selecting the third member of the panel; and

The Board shall send a copy of the Notice to the Head Start Regional Office.

Failure by the Policy Council to designate an arbiter within seven (7) days of receipt of the Notice of Arbitration shall be a default and shall be considered to be approval of the Board's proposed action.

The Arbitration Panel shall schedule the arbitration hearing within a reasonable time but not more than twenty (20) days after the designation of the third arbiter. The hearing shall be held in the locality of Highland Rim Economic Corporation, but not in their offices, at a place fixed by the Arbitration panel with consideration of the convenience of the parties.

The Board and the Policy Council are the parties to the arbitration hearing. Highland Rim Economic Corporation shall assume any expenses entailed by the arbitration and shall provide clerical and other support as needed.

The duty of the Arbitration Panel is to resolve the issues in dispute as expeditiously and fairly as possible at the minimum expense to the parties involved. The proceedings of the Arbitration Panel shall consist of:

Oral presentation of the Policy Council, position including minority views if there are any;

Oral Presentation of the Board's position;

Response by both parties to such question as the panel wishes to ask;

Informal cross examination of each party by the other within the limits allowed by the Panel;

Such additional presentation of oral or written materials as the Panel deems necessary to full appraise it of relevant facts for an informed decision. The parties may suggest to the Panel additional relevant witnesses or materials that would be helpful to the Panel.

If the Panel needs additional material such as budget statements, Head Start regulations or other materials of that nature, the Board has the duty to provide the panel with such documents.

Both parties are obligated to act in good faith before and during the proceedings. Neither party may communicate with the arbitrators once the Panel has been selected except at formal meetings attended by all parties. Any attempt to intimidate an arbitrator shall be reported to the Regional Office and shall result in a default judgment against the party guilty of it.

Refusal to comply with directions, continued use of delaying tactics by any person at the hearing, or other obstructive tactics shall constitute grounds for immediate exclusion of such person from the hearing by the chairperson.

The arbitration procedures do not preclude the parties from compromising their differences and reaching a settlement so long as no final decision has been issued by the Panel.

Both the Board and the Policy Council shall designate one and only one of its members to represent them at the proceedings.

The arbitration Panel shall issue its decision in writing fifteen (15) days after the Panel meeting. Copies shall be sent promptly to Highland Rim Economic Corporation, the Policy Council, and the Regional Office.

The final decision shall be binding on both parties and there shall be no appeal. Failure to abide by the final decision by Highland Rim Economic Corporation is grounds for denial of the application for refunding, for suspension and termination of financial assistance, or for denial of the application for amendment to the budget or work program.