

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
DEPARTMENT OF COMMUNITY INITIATIVES**

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

THROUGH: Terry M. Brechtel, City Manager

COPIES: Frances A. Gonzalez, Assistant to the City Manager; City Attorney's Office; Finance Department; Office of Management and Budget; File

SUBJECT: ORDINANCE AUTHORIZING THE ACCEPTANCE OF SUPPLEMENTAL FUNDS AND THE CARRY-FORWARD OF FY 2001 FUNDS FOR THE 2002 HEAD START-EARLY CHILD CARE PROGRAM

DATE: December 19, 2002

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes acceptance of supplemental funds in the amount of \$1,984,206 from the U.S. Department of Health and Human Services and the carry forward of an unobligated prior year balance in the amount of \$485,345 for use in the 2002 Head Start Program, from the period February 1, 2002 to January 31, 2003. Of the total authorized amount, the City of San Antonio will retain \$9,195 for administration of the Head Start Program. Supplemental and carry forward funds provide for current program enhancements including a Cost of Living Adjustment (COLA), quality improvement enhancements and funding for repairs due to flood damage. This ordinance also adopts a revised Head Start Program budget totaling \$56,431,485. The City Manager is authorized to execute a contract amendment with Parent/Child, Inc., increasing funding to an award total of \$44,782,356.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

The City of San Antonio is the Head Start grantee for San Antonio and Bexar County, and has contracted with Parent/Child, Inc. (PCI), a delegate agency since 1978 to administer the program. The Head Start program provides the following services: health, education, mental health and disabilities services at the centers and at specific service provider sites for nutrition services; and parent involvement activities at home and at the centers. Currently, Head Start services are available at 82 child development centers throughout San Antonio and Bexar County to children ranging from three to five years of age. The current funding level for Head Start enrollments is at 6,789 children.

An application in response to the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) notification of the availability of supplemental

funds for Cost of Living Adjustments (COLA), and quality improvement enhancements for the current program year was submitted in June. In July 2002, San Antonio experienced devastating rain and flood damage citywide and PCI sustained severe damage to 16 Head Start centers. The City submitted a subsequent request in early August for funds to repair damages to 15 of the sites that were salvageable for use in the current program year. Funds awarded for this purpose by HHS are included in the amount to be subcontracted to PCI.

The personnel complement for the Head Start program is revised to include a Financial Accountant position. This position is currently authorized and filled under the Child Care Delivery System (CCDS) Program Indirect Administration but is being reallocated to Head Start Administration to accurately reflect and report expenses to the correct program. This position is housed and reports to the Finance Department.

Since 1978, PCI has operated the Head Start program for San Antonio and Bexar County. PCI has continued to successfully expand Head Start services through its many partnerships and initiatives. The City has an existing contract with PCI in the amount of \$42,322,000 for operation of the Head Start program. This ordinance will authorize the amendment of this contract to provide additional funding in the amount of \$2,460,356 bringing the total contract amount to \$44,782,356. Currently PCI is actively involved as a partner in the development of the Single Portal of Entry model, which focuses on providing families with increased accessibility and information on the three largest publicly funded early childhood care and education programs: Public Pre-Kindergarten, Child Care Delivery System (CCDS), and Head Start.

The Head Start program utilizes a number of accountability and data collection measures in order to comply with program and reporting requirements as outlined by the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF). The following table illustrates the monthly average number of children in early childhood education programs through various funding sources.

Fiscal Year	Actual 00/01	Actual 01/02	Adopted 02/03
Head Start	5,567	5,586	6,789
CCDS	10,020	8,662	8,609
Youth Opportunity	117	224	243
Local Initiatives	498	620	428
Total	16,202	15,092	16,069

POLICY ANALYSIS

This ordinance is a continuation of existing City policy to utilize grant funds to provide necessary human services to the local community. Through its subcontract of the Head Start Program to PCI the City continues to provide quality services for children and families. This ordinance supports the Better Jobs Initiative and its core issue of Early Childhood Care and Education with Family Strengthening.

FISCAL IMPACT

This ordinance authorizes the acceptance of a supplemental grant of \$1,984,206 from the Department of Health and Human Services. The ordinance also authorizes the carry forward of an unobligated prior year balance in the amount of \$485,345 for use in the 2002 Head Start Program. This action authorizes the execution of a contract amendment in the amount of \$2,460,356 with PCI to operate the Head Start program. This grant requires an additional in-kind match of \$617,388 provided by PCI bringing the total 2002 Head Start program budget to \$56,431,485. This action requires no General Fund commitment.

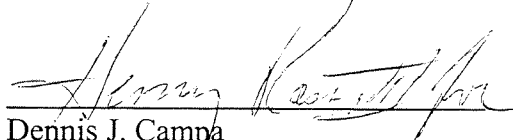
Head Start Budget - Funding Distribution	Budget	Revision #2	Revised Budget
COSA: Head Start - Administration	\$ 353,637	\$ 9,195	\$ 362,832
PCI: Head Start (PA 22) - Part & Full Day	41,750,376	2,434,915	44,185,291
PCI: Head Start (PA 22) - Transition	141,100	-0-	141,100
PCI: Head Start (PA 20) - Training & T.A.	430,524	25,441	455,965
PCI: In-Kind	10,668,909	617,388	11,286,297
Total Head Start Program Budget	\$ 53,344,546	\$ 3,086,939	\$ 56,431,485

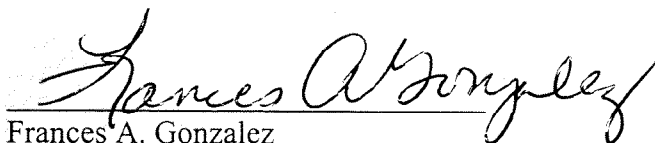
COORDINATION

The Department of Community Initiatives has coordinated activities with Parent/Child, Inc., City Attorney's Office, Finance, and the Office of Management and Budget.

SUPPLEMENTARY COMMENTS

Provisions of the Ethics Ordinance do not apply.


Dennis J. Campa
Director


Frances A. Gonzalez
Assistant to the City Manager

Approved:


Terry M. Brechtel
City Manager