

**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 TO: Frances A. Gonzalez, Assistant City Manager; City Attorney's Office;
City Clerk's Office; Finance Department; File

SUBJECT: 2004 Head Start – Early Child Care Program

DATE: August 19, 2004

SUMMARY AND RECOMMENDATION

This ordinance authorizes the execution of a contract in the amount of \$44,666,896.00 with Parent/Child, Incorporated (PCI) to operate the Head Start program in San Antonio and Bexar County from February 1, 2004 through January 31, 2005. Further, this action ratifies the reimbursement for the operation of the Head Start program since February 1, 2004 for continuity of services offered through the Head Start program. This action also adopts a revised Head Start program budget.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The City of San Antonio is the Head Start grantee for San Antonio and Bexar County, and contracts with Parent/Child, Incorporated (PCI) to administer the program. Since 1978, PCI has operated the Head Start program providing health, education, literacy, parental involvement activities, mental health, disabilities services and nutrition services at the center sites. The Head Start program also provides parent involvement activities at home and at the centers. Currently, Head Start services are available at 87 child development centers throughout San Antonio and Bexar County to children between three and five years of age. Average daily attendance for the 2003/2004 school year was 6,193.

On January 29, 2004, City Council authorized the negotiation and execution of a contract with Parent/Child, Incorporated. Negotiations of the contract awaited the completion and outcome of three factors – the development of a master delegate agency contract template, an on-site federal review of the Head Start program, and the development and submission of a subsequent corrective action plan.

The Department of Community Initiatives (DCI), in coordination with Asset Management, Risk Management, the City Attorney's Office, and the Office of the City Auditor, developed a master delegate agency contract template. Due to the size, complexity and scope of the Head Start program, several meetings with PCI were necessary and the Head Start contract went through several revisions and re-negotiation to accommodate program objectives in accordance with federal guidelines.

During the week of January 26, 2004, in connection with a Congressional inquiry, the U.S. Department of Health and Human Services (HHS) – Administration of Children and Families (ACF) National Head Start Bureau conducted a special on-site monitoring visit of the San Antonio Head Start program utilizing the Program Review Instrument for Systems Monitoring (PRISM). Both the City of San Antonio, as the Head Start grantee, and PCI, as the Head Start program operator, were reviewed. The HHS report issued March 15, 2004, identified that Head Start Policy Council did not exist at the grantee level. The Policy Council existed at PCI. City Council approved through ordinance the development and submission of a corrective action plan, which brings the City into compliance by establishing structured governance through a Head Start Commission and Policy Council at the grantee level.

POLICY ANALYSIS

Pursuant to Ordinance No. 98768, passed and approved on January 29, 2004, City Council authorized the acceptance of a continuation grant from HHS in the amount of \$45,104,728.00 for the Head Start program for the twelve-month period beginning February 1, 2004.

The City continues to delegate complete operation of the Head Start program to the HHS approved delegate agency PCI in accordance with federal guidelines. The City has now successfully negotiated a contract with PCI in the amount of \$44,666,896 for continued operation of the Head Start program for the period of February 1, 2004 through January 31, 2005.

Pursuant to Ordinance No. 99349, passed and approved on June 10, 2004, the corrective action plan, in response to the PRISM report, was submitted to HHS-ACF. In part, the corrective action plan establishes a Head Start Commission comprised of one representative appointed by each Council Member and a representative appointed by the Mayor's Office. A solicitation for application was disseminated throughout the local media. Applications were received by the City Clerk's Office and will be reviewed for appointment by the respective Council member. These appointments will be submitted for confirmation by City Council in September 2004.

This ordinance is a continuation of existing City policy to utilize grant funds to support human development through Family Strengthening by providing needed childcare services to the local community. This action also supports the core issue of Early Childcare and Education goal of building a high quality early childhood education system as outlined in the Early Care and Education Strategic Plan.

FISCAL IMPACT

This ordinance authorizes the execution of a contract in the amount of \$44,666,896 with Parent/Child, Incorporated to operate the Head Start program, with the balance of the grant (\$437,832) retained by DCI for administration of the program, including the administrative cost of the Head Start Commission, as grantee. The grant requires an in-kind match of \$11,276,181 that will be provided by Parent/Child, Incorporated. The total Head Start program budget remains \$56,380,909.

This action requires no additional General Fund commitment.


Head Start Budget Funding Distribution	Program Budget	Revision #1	Revised Budget
COSA: Head Start – Administration	\$ 362,832	75,000	437,832
PCI: Head Start (PA22)-Part & Full Day	44,144,831	<75,000>	44,069,831
PCI: Head Start (PA22)-Transition	141,100	-0-	141,100
PCI: Head Start (PA22)-Trng & Tech. Asst	455,965	-0-	455,965
PCI: In-Kind	11,276,181	-0-	11,276,181
Total Head Start Program Budget	\$56,380,909	-0-	56,380,909

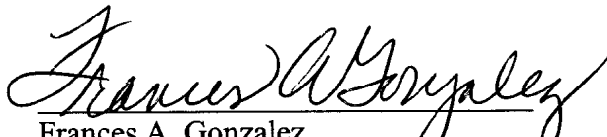
COORDINATION

DCI coordinated activities with PCI, City Attorney's Office, Office of the City Auditor, City Clerk's Office, Asset Management, Risk Management and the Finance Department.


SUPPLEMENTARY COMMENTS

Attachments: Attachment A – Discretionary Contract Disclosure Form


Dennis J. Campa
Director


Frances A. Gonzalez
Assistant City Manager

Approved:


Terry M. Brechtel
City Manager

Attachment A

Discretionary Disclosure Form

City of San Antonio

Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

Mrs. Blanche A. Russ-Glover

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

Parent/Child Incorporated

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract:

Not Applicable

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Not Applicable

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Not Applicable


Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Not Applicable		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 4 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: 	Title: Chief Executive Officer Company: Parent/Child Incorporated	Date: 9/15/03

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract:

Mrs. Lupe V. Gonzales

(2) the identity of any business entity¹ that would be a party to the discretionary contract:

Parent/Child Incorporated

and the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract:

Not Applicable

and the name of:

(B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract:

Not Applicable

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

- (3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Not Applicable

Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Not Applicable		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: <i>Lupe V. Samples</i>	Title: Board President Company: Parent/Child Incorporated	Date: 9/16/03

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

Attachment I

Delegate Agency Contract with PCI

HEAD START - EARLY CHILD CARE PROGRAM 2004

Attachment II

02/01/04- 01/31/05

26-022101

INDEX NO.	ESTIMATED REVENUES	Obj Code	BUDGET	Revision #1 +/-	REVISED BUDGET
079624	HHS-Office of Human Development Grant	00-004	45,104,728	-	45,104,728
093955	Space & Vol Serv-In Kind	00-010	11,276,181	-	11,276,181
Total Estimated Revenues			56,380,909	-	56,380,909
APPROPRIATIONS					
38-02-02 Head Start- Early Child Care Prog-Admin			BUDGET		
778225	Salaries	01-010	232,236	53,070	285,306
774075	Higher Classification Salary	01-012	-	500	500
778365	Language Skill Pay	01-019	-	-	-
778506	FICA	01-030	17,083	4,782	21,865
778647	TMRS	01-040	24,496	6,944	31,440
778787	Flexible Benefits	01-050	17,164	-	17,164
778928	Life Insurance	01-051	510	90	600
779066	Workers' Disability Compensation	01-060	4,325	-	4,325
779207	Personal Leave Buyback Pay	01-072	1,000	1,500	2,500
780098	Communications: Telephones	02-110	5,400	3,169	8,569
780304	Communications: Pagers	02-112	-	170	170
780445	Mail & Parcel Post Service	02-113	25	75	100
780585	Rental of Facilities	02-116	3,000	-	3,000
780726	Rental of Equipment	02-119	-	-	-
780866	Inter-Fund Rent of City Motor Pool	02-120	100	-	100
781005	Travel-Official	02-124	4,000	-	4,000
781146	Education	02-128	3,000	-	3,000
781286	Car Expense Allowance	02-130	100	900	1,000
781427	Maint & Rep - Bldgs & Imp	02-139	-	-	-
781567	Maint & Rep - Mach & Equip	02-142	100	-	100
781708	Maint & Rep - Commercial	02-144	2,500	-	2,500
781849	Fees to Professional Contractors	02-160	6,000	-	6,000
781989	ADP Services	02-172	2,250	-	2,250
XXXXXX	Advertising & Publication	02-175	-	600	600
782037	Memberships Dues & Licenses	02-178	-	250	250
782128	Binding, Printing & Reproduction	02-181	1,000	-	1,000
XXXXXX	Subscriptions to Publications	02-187	-	500	500
782268	Office Supplies	03-210	2,500	1,000	3,500
XXXXXX	Food	03-216	-	750	750
782409	Chemicals, Medical & Drugs	03-228	400	-	400
782540	Tools, Apparatus, & Accessories	03-232	100	200	300
782680	Maint Rep Mat - Bldgs & Imp	03-240	-	-	-
782821	Maint Rep Mat - Auto	03-241	43	-	43
783068	Maint Rep Mat - Mach & Equip	03-242	500	-	500
783209	Computer Software	03-243	7,500	-	7,500
XXXXXX	Other Commodities	03-244	-	500	500
783340	Computer Equipment	05-360	17,500	-	17,500
783480	Mach & Equip - Other	05-373	4,125	-	4,125
783761	Furniture & Fixtures	05-375	5,875	-	5,875
Total 38-02-02			362,832	75,000	437,832
38-02-04 Head Start- Early Child Care Program-Operator					
783902	PCI: Head Start (PA22) - Part & Full Day	02-163	44,144,831	(75,000)	44,069,831
784041	PCI: Head Start (PA22) - Transition	02-163	141,100	-	141,100
784181	PCI: Head Start (PA20) - T&TA	02-163	455,965	-	455,965
893354	PCI: In-Kind	82-692	11,276,181	-	11,276,181
Total 38-02-04			56,018,077	(75,000)	55,943,077
Total Appropriations			56,380,909	-	56,380,909

FUND ONLY INDEX NO. : 002364

2004 HEAD START - EARLY CHILD CARE PROGRAM**02/01/04 - 01/31/05****26-022101****Personnel Complement**

<u>Positions</u>	<u>Job Class No.</u>	CURRENT No. OF POSITIONS	ADDED/DELETED POSITIONS	REVISED No. OF POSITIONS
38-02-02 Head Start Administration				
Grants Management Officer	0844	0	2	2
Senior Management Analyst	0999	1	0	1
Senior Management Analyst (PT)	0999	1	0	1
Special Projects Officer	0865	1	0	1
Special Projects Officer (PT)	0865	1	0	1
Management Analyst	0046	1	0	1
Fiscal Operations Manager	0850	1	-1	0
Administrative Assistant I	0040	1	0	1
Accountant II	0874	1	0	1
Administrative Aide	0067	1	0	1
Sr Office Assistant	0009	1	0	1
Sr Project Management Specialist	0912	2	0	2
Financial Accountant	0927	1	0	1
Total Positions 38-02-02		13	1	14
TOTAL POSITIONS FOR 26-022101		13	1	14